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1897.

SIXTH ANNUAL REPORT.

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN
RAILWAY COMPANY,

INCLUDING THE
ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS
AND
TYLER SOUTHEASTERN RAILWAY CO.

FISCAL YEAR ENDED
JUNE 30, 1897.

LIBRARY
"COTTON BELT ROUTE"
ST. LOUIS SOUTHWESTERN
RAILWAY COMPANY,

INCLUDING THE
ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS
AND
TYLER SOUTHEASTERN RAILWAY CO.

SIXTH ANNUAL REPORT
OF THE
BOARD OF DIRECTORS
TO THE
STOCKHOLDERS,

FOR THE FISCAL YEAR ENDED
JUNE 30, 1897.

ST. LOUIS:
WOODWARD & TIERNAN PRINTING CO., 309 to 319 North Third Street.
1897.

Recd 18

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DIRECTORS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

ELECTED OCTOBER, 1896.

S. W. FORDYCE	St. Louis, Mo.
EDWIN GOULD	IRVINGTON, N. Y.
M. GERNSHEIM	NEW YORK, N. Y.
R. M. GALLOWAY	NEW YORK, N. Y.
THOS. T. ECKERT	NEW YORK, N. Y.
WINSLOW S. PIERCE	NEW YORK, N. Y.
W. B. DODDRIDGE	St. Louis, Mo.
ROBERT MOORE	St. Louis, Mo.
A. L. WOLFF	St. Louis, Mo.

Annual meeting of stockholders for election of directors is held in the city of St. Louis, Mo., on the first Tuesday in October.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

ELECTED MAY, 1897.

S. W. FORDYCE	St. Louis, Mo.
EDWIN GOULD	Irvington, N. Y.
WINSLOW S. PIERCE	New York, N. Y.
W. B. DODDRIDGE	St. Louis, Mo.
J. A. EDSON	Tyler, Tex.
W. W. SELEY	Waco, Tex.
TOM RANDOLPH	Sherman, Tex.
JAMES GARITTY	Corsicana, Tex.
W. C. CONNOR	Dallas, Tex.

Annual meeting of stockholders for election of directors is held in the city of Tyler, Texas, on the Monday preceding the first Wednesday in May.

TYLER SOUTHEASTERN RAILWAY COMPANY.

ELECTED MAY, 1897.

H. H. ROWLAND	Tyler, Tex.
HOWARD GOULD	Tarrytown, N. Y.
GUY PHILLIPS	New York, N. Y.
W. S. MALLETT	New York, N. Y.
J. A. EDSON	Tyler, Tex.
J. P. DOUGLAS	Tyler, Tex.
T. F. MURCHISON	Athens, Tex.

Annual meeting of stockholders for election of directors is held in the city of Tyler, Texas, on the Monday preceding the first Wednesday in May.

GENERAL OFFICERS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

S. W. FORDYCE	<i>President</i>	ST. LOUIS, MO.
EDWIN GOULD	<i>Vice-President</i>	IRVINGTON, N. Y.
WINSLOW S. PIERCE	<i>General Counsel</i>	NEW YORK, N. Y.
S. H. WEST	<i>Attorney</i>	ST. LOUIS, MO.
J. A. EDSON	<i>General Superintendent</i>	TYLER, TEX.
S. C. JOHNSON	<i>General Auditor</i>	ST. LOUIS, MO.
GEORGE ERBELDING	<i>Secretary</i>	NEW YORK, N. Y.
G. K. WARNER	<i>Ass't Secretary and Treasurer</i>	ST. LOUIS, MO.
A. S. DODGE	<i>General Traffic Manager</i>	ST. LOUIS, MO.
R. S. DAVIS	<i>General Freight Agent</i>	ST. LOUIS, MO.
E. W. LABEAUME	<i>General Passenger and Ticket Agt.</i>	ST. LOUIS, MO.
H. G. KELLEY	<i>Chief Engineer</i>	TEXARKANA, TEX.
R. M. GALBRAITH	<i>General Master Mechanic</i>	PINE BLUFF, ARK.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

S. W. FORDYCE	<i>President</i>	St. Louis, Mo.
EDWIN GOULD	<i>First Vice-President</i>	Irvington, N. Y.
J. A. EDSON	<i>Second Vice Pres't and Gen'l Sup't</i>	Tyler, Tex.
R. D. COBB	<i>Secretary and Auditor</i>	Tyler, Tex.
GEORGE ERBELDING	<i>Assistant Secretary</i>	New York, N. Y.
J. W. HOGAN	<i>Treasurer</i>	Tyler, Tex.
G. W. BARNHART	<i>General Freight Agent</i>	Tyler, Tex.
S. G. WARNER	<i>General Passenger Agent</i>	Tyler, Tex.
H. G. KELLEY	<i>Chief Engineer</i>	Texarkana, Tex.
J. M. SCROGIN	<i>Master Mechanic</i>	Tyler, Tex.

TYLER SOUTHEASTERN RAILWAY COMPANY.

H. H. ROWLAND	<i>President</i>	Tyler, Tex.
HOWARD GOULD	<i>Vice-President</i>	Tarrytown, N. Y.
J. A. EDSON	<i>General Superintendent</i>	Tyler, Tex.
R. D. COBB	<i>Auditor</i>	Tyler, Tex.
J. P. DOUGLAS	<i>Secretary</i>	Tyler, Tex.
GUY PHILLIPS	<i>Assistant Secretary</i>	New York, N. Y.
J. W. HOGAN	<i>Treasurer</i>	Tyler, Tex.
G. W. BARNHART	<i>General Freight Agent</i>	Tyler, Tex.
S. G. WARNER	<i>General Passenger Agent</i>	Tyler, Tex.
H. G. KELLEY	<i>Chief Engineer</i>	Texarkana, Tex.
J. M. SCROGIN	<i>Master Mechanic</i>	Tyler, Tex.

TRANSFER OFFICE: No. 195 Broadway, New York, N. Y.

"COTTON BELT ROUTE."

St. Louis Southwestern Railway Co.

OFFICE OF THE PRESIDENT.

St. LOUIS, Mo., Sept. 1st, 1897.

To the Stockholders of the St. Louis Southwestern Railway Company:

The Sixth Annual Report exhibiting the results from the operation of the property owned and controlled by your company for the fiscal year ended June 30th, 1897, and showing the financial and physical condition of the same at the close of the fiscal year, is herewith respectfully submitted.

The following statement shows gross earnings, receipts from all other sources, operating expenses, fixed and all other charges against income, for the fiscal year ended June 30th, 1897, compared with the preceding fiscal year:

FINANCIAL RESULTS FROM OPERATION.

ENTIRE SYSTEM.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Decrease.
Gross earnings	\$4,743,546 43	\$4,904,489 86	—	\$160,943 43
Operating expenses (including betterments)	3,855,888 24	4,132,374 54	—	276,486 30
Net earnings	\$ 887,658 19	\$ 772,115 32	\$115,542 87	—
All other receipts	3,584 17	10,076 70	—	\$ 6,492 53
Total income over operating expenses	\$ 891,242 36	\$ 782,192 02	\$109,050 34	—
Fixed and other payments charged against income:				
Accrued interest on first mortgage bonds (4 per cent.)	\$ 800,000 00	\$ 800,000 00	—	—
Taxes accrued	121,485 44	128,551 97	—	\$ 7,066 53
Interest and exchange	17,268 31	16,184 97	\$ 1,083 34	—
All other payments	15,676 87	15,305 14	371 73	—
Total charges against income	\$ 954,430 62	\$ 960,042 08	—	\$ 5,611 46
Deficit carried to debit of profit and loss account	\$ 63,188 26	\$ 177,850 06	—	\$114,661 80

A further comparison of the general operating results for the current fiscal year, with those of the preceding fiscal year, is shown in the following table:

Gross earnings	decrease	\$160,943.43	or	3.28%
Freight earnings	decrease	17,156.91	or	.47%
Passenger earnings	decrease	159,128.55	or	16.85%
Mail, express, telegraph and miscellaneous earnings	increase	15,342.03	or	5.58%
Operating expenses (including betterments) decrease		276,486.30	or	6.69%
Betterments	decrease	97,350.54	or	46.16%
Extraordinary expenses	decrease	29,079.88	or	41.85%
Operating expenses (exclusive of betterments and extraordinary expenses) . .	decrease	150,055.88	or	3.90%
Total tonnage (tons)	increase	37,631	or	2.53%
Average revenue per ton per mile	decrease	\$0.0005	or	4.24%
Total number of passengers carried . . .	decrease	131,911	or	14.10%
Average revenue per passenger per mile .	increase	\$0.0001	or	.43%
Total train mileage	increase	73,960	or	2.16%

The results from operation for the fiscal year ended June 30th, 1897, as shown in the foregoing tables, reflect in no small degree the general financial and industrial depression which has prevailed throughout this country for the past several years; these unfavorable conditions being intensified during the year for which this report is rendered by the business uncertainties usually incident to presidential election years. Aside from this, there existed certain special and local conditions which seriously affected the revenues of your company and other lines extending through contiguous territory, among which may be mentioned the inactivity of the lumber market (lumber as a rule forming about fifty per cent. of the total tonnage transported by your company), and the disastrous floods caused by the overflow of the Mississippi river in the spring of 1897.

The unfavorable business conditions which existed during the current fiscal year are shown more forcibly in the large decrease in passenger revenue throughout the country than in any other branch of railroad traffic. The shrinkage in the incomes of the people prohibited them from traveling with the same freedom as

before. Comparatively, but little traveling was done for pleasure, and business trips were curtailed as much as possible.

While the passenger revenue for the fiscal year ended June 30th, 1897, as compared with the preceding fiscal year, shows a decrease of \$159,128.55, or 16.85 per cent., the freight revenue shows a decrease of only \$17,156.91, or .47 of one per cent., and the number of tons of freight carried shows an increase of 37,631 tons, or 2.53 per cent. Although freight rates were reasonably well maintained during the past fiscal year, the average revenue per ton per mile decreased \$0.0005, or 4.24 per cent. Had your company obtained the same average revenue per ton per mile for the freight carried during the fiscal year ended June 30th, 1897, that it received during the fiscal year ended June 30th, 1896, the total revenue derived from freight traffic would have been \$172,090.09 more than it actually received.

In this connection, attention is called to the decision of the Supreme Court, handed down March 22d, 1897, in the case of the United States *vs.* Trans-Missouri Freight Association, for the purpose of having the agreement between the defendant railroad companies, for mutual protection, by establishing reasonable rates, rules and regulations on all freight traffic, set aside and declared illegal and void, and to have the Association dissolved. On account of this decision the Southwestern Traffic Association was abolished and the Southwestern Freight Bureau established, under an agreement dated June 7th, 1897. It is believed that the Articles of Agreement under which the Southwestern Freight Bureau has been established are not in violation of any law, either State or Federal.

Notwithstanding the increase of 2.53 per cent. in total tonnage, and of 2.16 per cent. in train mileage, which would naturally have a tendency to increase the operating expenses, there is a decrease of 6.69 per cent. in operating expenses, including betterments and extraordinary expenses, and a decrease of 3.90 per cent. in operating expenses, exclusive of betterments and

extraordinary expenses. This decrease in operating expenses has not been accomplished by a reduction of the expenditure for work on the road-bed and track, as practically the same amount of money has been expended in maintaining and improving the track during the fiscal year ended June 30th, 1897, as during the preceding fiscal year.

Your Magnolia, Arkansas, branch of 6.4 miles has been leased to the Louisiana & Northwestern Railroad at a rental of \$3,960 per year, payable semi-annually on the first days of April and October. This lease is effective as soon as the Louisiana & Northwestern Railroad shall have completed its track and begun the operation of the same from the town of Magnolia to a point on the State line between Louisiana and Arkansas, and is to continue for a period of twenty years from that date. The reason for making this lease was to get rid of the operation of this small branch, which has been a burden upon your property; *i. e.*, it costs more to operate and maintain than the revenue derived from it. In addition to this a traffic agreement has been made with the Louisiana & Northwestern Railroad that will open up to your company about eighty miles of new and undeveloped territory, rich in timber and cotton products, which will add both to the tonnage and revenue of your property.

On account of the expensive and difficult transfer between Bird's Point, Mo., and Cairo, Ill., your company has annually suffered heavy losses by the diversion of its traffic, caused by both high and low water and ice gorges in the river, as well as great difficulty in maintaining its incline on account of the shifting water currents and caving bank of the river. To obviate this trouble in future, it has been deemed most wise by your Board of Directors to establish and maintain a cheaper and more certain crossing at a point some seventeen miles in a Northeasterly direction from Delta, Mo., known as Grays Point, on the Mississippi river, being the shortest distance for transfer across the river and being also considered by expert engineers as the

safest and best point to maintain and operate an incline and boat transfer system. The Chicago & Texas Railroad will extend its line from its present Southern terminus at East Cape Girardeau, to a point in Illinois opposite Grays Point, thus enabling your company to exchange business with that line, and through that line with the Mobile & Ohio Railroad at Murphysboro, Ill.; the Chicago & Eastern Illinois Railroad at Johnston City, Ill., and the Illinois Central Railroad at Carbondale and Harrison, Ill. In order to accomplish this, your company has entered into a contract with the Grays Point Terminal Railway Company to construct a line of road from Delta, Mo., to Grays Point, with suitable yards, double track incline, station houses, and all other necessary appliances. The contract with the aforementioned company is considered a most favorable one, as the Terminal company takes in payment its own five per cent. semi-annual interest bearing fifty-year bonds at ninety cents on the dollar, both principal and interest to be guaranteed by your company; the total amount of capital stock of the Terminal company to be assigned to your company. The estimated cash outlay of the Terminal company will be about \$260,000, and the total amount of bonds issued will be not to exceed \$300,000, which will only increase your annual interest charge not to exceed \$15,000. When it is considered that the cost to your company has averaged at least \$50,000 per annum in extraordinary expenses at Bird's Point, which includes the diversion of its traffic, it is certainly good policy to reduce this expenditure to \$15,000 per annum by the building of the Grays Point Terminal Railway and incline. A conservative estimate of the damage done your property by the high water of March and April, 1897, and the loss of revenue sustained, will amount to fully \$100,000.

An extension of the Paragould Southeastern Railway is being constructed from Cardwell, Mo., the present terminus, eastward to Hornersville on Little river, a distance of about 10.5 miles,

the cost of which is estimated to be less than \$4,000 per mile. This addition to the line will be bonded for the exact cost of construction and equipment, and stock will be issued equal to the amount of the bonds. Your company will furnish second-hand 35-pound rails and fastenings, which have been taken out of its main line, necessary to lay this new track, and will also furnish some second-hand equipment when the operation of this extension is commenced; in return for which it will receive in payment bonds and stocks covering the extension. Other parties furnish the additional money required for grading, bridging and tying. This new portion of the line extends through about six miles of timber country, and the balance through cleared land in a very productive section, which will largely increase the earnings of the Paragould Southeastern Railway and render that line a more valuable feeder for your company. It is expected that this new extension will be completed and in operation by October 1st, 1897.

It has been determined by your Board to make a trackage arrangement with some line for the purpose of securing an entrance into the City of Dallas, Texas, which city can be reached from points of intersection with this line and the Gulf, Colorado & Santa Fe Railway at Wylie, the Houston & Texas Central Railroad at Plano, or the Missouri, Kansas & Texas Railway from Carrollton. Negotiations for this proposed entrance are now pending with two of these companies, and it is believed that a satisfactory agreement can soon be reached. It is certainly greatly to the interest of your company to be able to do business over its own and leased lines in and out of so important a city as Dallas, and especially so in view of the fact that your company would only have to use from fourteen to twenty-one miles of leased track.

The good prices now being obtained for wheat and corn, together with the duty of \$2.00 per thousand which has been placed on Canadian lumber, is having a marked effect for the

better on the traffic of your line. Since the close of the fiscal year for which this report is made, lumber shipments have increased very materially. One month ago the prospects were for a largely increased production of cotton in Texas, Arkansas and Louisiana, but the extremely hot and dry weather will diminish this output from 10 to 20 per cent., as compared with what was promised four weeks ago. Notwithstanding this, it is believed that more cotton will be produced in the territory tributary to your lines during the season of 1897-8, than during the preceding season.

The general business of the country, especially in the Southwest, is fast improving. It is therefore confidently believed that the fiscal year ending June 30th, 1898, will show a good increase both in the gross and net earnings of your property.

As shown in detail in this report, the physical condition of your property has steadily improved; and this improvement will be continued as fast as the earnings will justify.

A careful perusal of the contents of the several chapters headed respectively "Financial Exhibits," "Traffic," "Conducting Transportation," "Maintenance of Way," "Motive Power and Car Department," etc., which follow, is invited, as they will be found to contain a detailed analysis of the results from operation, and of the maintenance and improvement of your property.

MILES OPERATED.

The length of main track operated, on which all computations pertaining to earnings, expenses and traffic statistics are based, and of side tracks, is shown in the following table:

MILES OF TRACK OWNED AND CONTROLLED—ENTIRE SYSTEM.

	Main track.	Side track.	Total.
ST. LOUIS SOUTHWESTERN RY. CO.—			
Main line	418.0	102.2	520.2
New Madrid branch	5.7	.3	6.0
Delta branch	51.4	8.0	59.4
Little Rock branch	41.7	5.6	47.3
Magnolia branch	6.4	.4	6.8
Shreveport branch	59.5	8.4	67.9
Total	582.7	124.9	707.6
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—			
Main line	304.6	52.0	356.6
Sherman branch	109.9	14.5	124.4
Ft. Worth branch	97.2	14.2	111.4
Hillsboro branch	40.0	4.2	44.2
Total	551.7	84.9	636.6
TYLER SOUTHEASTERN RY. CO.—			
Main line	88.6	8.1	96.7
ENTIRE SYSTEM—			
Total miles of track June 30, 1897 . .	1,223.0	217.9	1,440.9
Total miles of track June 30, 1896 . .	1,223.0	211.7	1,434.7
Increase	—	6.2	6.2

The length of main track remains the same as at the close of the preceding fiscal year.

During the fiscal year ended June 30th, 1897, there have been laid 6.1 miles of new side and passing tracks for railroad purposes, and 4.9 miles of new private and spur tracks for saw mills and other local industries, making a total of 11 miles of new side track. There have been taken up 4.8 miles of old side track, making a net increase of 6.2 miles in side track during the fiscal year ended June 30th, 1897.

FINANCIAL, EXHIBITS.

Immediately following will be found :

1. Statement of income account, for the fiscal year ended June 30th, 1897.
2. Statement of profit and loss account, to June 30th, 1897.
3. Condensed balance sheet, June 30th, 1897.

A complete analysis of the foregoing, in the form of comparative exhibits, will also be found, showing the changes that have taken place in the various accounts composing the income account and condensed balance sheet since the close of the preceding fiscal year, also your company's financial condition at the close of the fiscal year ended June 30th, 1897, and finally a summary of financial transactions showing the year's resources and the manner in which they were appropriated, in the following order, to-wit:

Earnings, expenses and taxes	Exhibit A.
Betterments and extraordinary expenses	" A.
Accrued interest on bonds	" B.
Taxes accrued	" C.
Interest and exchange	" D.
All other payments charged against income account	" E.
Interest on bonds owned	" F.
All other receipts credited income account	" G.
Cost of road and equipment	" H.
Construction accounts	" I.
Real estate	" J.
Investments in stocks and bonds	" K.
Capital stock	" L.
Funded debt	" M.
Equipment trust obligations	" N.
Floating debt	" O.
Miscellaneous accounts	" P.
Summary of financial transactions	" Q.

JUNE 30TH, 1897.

NOTE.—See appendix for condensed balance sheet of each company separately.

EXHIBIT A.

COMPARATIVE STATEMENT OF EARNINGS, EXPENSES,
NET EARNINGS AND TAXES.

ENTIRE SYSTEM.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Per cent.	Decrease.	Per cent.
EARNINGS—						
Freight	\$3,668,481 77	\$3,685,638 68	—	—	\$ 17,156 91	0.47
Passenger—local . .	522,751 28	618,128 47	—	—	95,377 19	15.43
Passenger—foreign .	262,266 79	326,018 15	—	—	63,751 36	19.55
Mail	146,231 84	143,208 89	\$ 3,022 95	2.11	—	—
Express	72,000 00	72,000 00	—	—	—	—
Telegraph	6,502 45	6,648 20	—	—	145 75	2.19
Miscellaneous	65,312 30	52,847 47	12,464 83	23.59	—	—
Total	\$4,743,546 43	\$4,904,489 86	—	—	\$160,943 43	3.28
Earnings per mile of road	\$ 3,878 62	\$ 4,010 21	—	—	\$ 131 59	3.28
EXPENSES (including betterments)—						
Conducting transpor- tation	\$1,342,236 94	\$1,442,403 55	—	—	\$100,166 61	6.94
Motive power	925,062 15	991,591 29	—	—	66,529 14	6.71
Maintenance of cars	312,716 68	344,517 56	—	—	31,800 88	9.23
Maintenance of way	1,117,472 22	1,133,998 51	—	—	16,526 29	1.46
General expenses. . .	158,400 25	219,863 63	—	—	61,463 38	27.96
Total	\$3,855,888 24	\$4,132,374 54	—	—	\$276,486 30	6.69
Expenses per mile of road	\$ 3,152 81	\$ 3,378 88	—	—	\$ 226 07	6.69
Percentage of ex- penses to earnings .	81.29	84.26	—	—	2.97	3.52
NET EARNINGS	\$ 887,658 19	\$ 772,115 32	\$115,542 87	14.96	—	—
Per mile of road . . .	\$ 725 81	\$ 631 33	\$ 94 48	14.96	—	—
Percentage of total earnings	18.71	15.74	2.97	18.87	—	—
EXPENSES AND TAXES—						
Expenses	\$3,855,888 24	\$4,132,374 54	—	—	\$276,486 30	6.69
Taxes accrued	121,485 44	128,551 97	—	—	7,066 53	5.50
Total	\$3,977,373 68	\$4,260,926 51	—	—	\$283,552 83	6.65
Per mile of road . . .	\$ 3,252 15	\$ 3,484 00	—	—	\$ 231 85	6.65
Percentage of total earnings	83.85	86.88	—	—	3.03	3.49
SURPLUS after paying taxes	\$ 766,172 75	\$ 643,563 35	\$122,609 40	19.05	—	—
Per mile of road . . .	\$ 626 47	\$ 526 21	\$ 100 26	19.05	—	—

**BETTERMENTS AND EXTRAORDINARY EXPENSES,
INCLUDED IN THE FOREGOING STATEMENT OF OPERATING EXPENSES.**

ENTIRE SYSTEM.	BETTERMENTS.		EXTRAORDINARY EXPENSES.	
	Year ended June 30, 1897.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1896.
Conducting transportation . .	\$ 1,957 07	\$ 8,284 21	\$ 4,890 71	\$ 42,502 27
Motive power	13,961 37	32,522 04	923 05	—
Maintenance of cars	12,791 56	29,143 84	448 77	—
Maintenance of way	84,834 38	140,944 83	34,150 40	26,990 54
Total	\$ 113,544 38	\$ 210,894 92	\$ 40,412 93	\$ 69,492 81
Decrease this year	\$ 97,350 54	—	\$ 29,079 88	—
Per cent. of decrease.	46.16	—	41.85	—

The decrease in the amounts expended for betterments is due in a large measure to the decrease of \$41,959.22 in the expenses incident to the change of gauge of the Tyler Southeastern Railway, the work in connection therewith having been about completed during the preceding fiscal year.

The several items composing the expenditure for betterments during the year ended June 30th, 1897, are as follows:

New station houses, platforms, etc.—

Extension to freight depot at Tucker, Ark. . .	\$ 488 61	
Extension to freight depot at Keo, Ark. . .	432 62	
Grading for joint depot with Texas Midland R. R. at Commerce, Texas	199 58	\$ 1,120 81

Additional stock pens.—

Wabbaseca, Ark.	\$ 115 28	
Redwater, Texas	44 65	
Weaver, Texas	135 49	
Carrollton Texas	255 86	
Wells, Texas	145 66	
Enlarging stock pens at Alto, Texas	139 32	836 26

Improvements at Pine Bluff shops.—

Air hoists for cinder pits	\$ 175 91	
Air hoists for coal bins	175 91	
Air compressors and air jacks	958 04	1,309 86

Amount carried forward \$3,266 93

<i>Amount brought forward</i>		\$3,266 93
<i>Improvements to Texarkana shops and shop grounds (commenced in April, 1895)—</i>		
Additional tracks		309 88
<i>Improvements at Commerce, Texas (commenced in November, 1894)—</i>		
Additional tracks		190 80
<i>Improvements to Tyler shops and yard (commenced last year—unfinished)—</i>		
New turntable and cinder pit	\$3,875 32	
New coal platform	471 66	
Air hoist for cinder pits	560 16	
Air hoist for coal bins	340 26	
Moving lumber off right of way	26 28	
Frogs for round house and turntable	239 68	
Putting in drain boxes	208 17	
Loading cinders to ballast track	276 32	
Grading	2,309 32	
Laying side tracks	746 62	
Changing tracks	5,909 03	
Engineering expenses	204 72	15,167 54
New fence around pond at Tom Bean, Texas		88 78
New dam at Plano, Texas		4,579 35
Air brakes for locomotives		1,148 99
Second toilet room and cooler for coaches		424 00
Air brakes and automatic couplers for freight cars		10,597 54
Pintsch gas equipment and vestibule ends for mail car No. 81		540 31
<i>Expenses incident to change of gauge T. S. E. R'y—(commenced last year)—</i>		
Changing locomotives from narrow to standard gauge	\$2,168 46	
Changing freight cars from narrow to standard gauge	648 24	
New crossing, T. S. E. yard	28 25	
Frogs	327 95	
Widening and preparing cuts and embankments.	59 58	
Spreading rails of side tracks	187 10	
	\$3,419 58	
Spikes—track, credit account old track spikes sold.	184 81	3,234 77
<i>Amount carried forward</i>		\$39,548 89

Amount brought forward \$39,548 89

Ballasting—

Main line, Arkansas, mile 280	\$ 516 97	
Main line, Arkansas, miles 297 to 299	1,632 02	
Shreveport branch, miles K-412½ to K-415	1,231 43	
Main line, Texas, miles 435 and 436	799 55	
Main line, Texas, miles 501 to 503 (Lilley Creek bottom)	1,433 84	
Main line, Texas, miles 660 and 661 (commenced last year)	690 29	
Sherman branch, miles D-508 and D-509	1,019 37	
Sherman branch, mile D-541 (commenced last year)	31 17	
Sherman branch, mile D-545 and D-546	492 84	7,847 48

New bridges—

White river, M. P. 215, main line, Arkansas (commenced last year)	\$6,281 65	
Sabine river, M. P. 526, main line, Texas (commenced last year)	2,001 58	8,283 23
Raising approaches to bridge No. 472, near M. P. 570, main line, Texas		423 79
Improvements to Big Creek bottom, miles 280 and 284, main line, Arkansas (commenced in November, 1894)		201 40
Improvements to Big Cypress bottom, miles 489 and 490, main line, Texas, to raise track above overflow		9,994 45
Changing alignment, mile 485, main line, Texas (Big Cypress hill)		421 75
Reducing grade line, M. P. 425, main line, Texas		73 08
Widening embankments and raising track in Bayou La Grue, miles 222 and 223, main line, Arkansas, subject to overflow		797 64
Ballasting, widening embankments, and truing grade line, M. P. 302 to 309 and 317 to 324, main line, Arkansas (commenced last year)		13,706 33
Widening embankments, miles 84 to 86 and 104 to 105, main line, Arkansas		438 70
New standard fence		12,432 95
New standard tile culverts		736 53
New city team track at Shreveport, La		7,190 64
New coach and engine tracks at Ft. Worth, Texas		386 66

Amount carried forward \$102,483 52

Amount brought forward \$102,483 52

New saw mill spurs, private and side tracks—

Ballasting	\$ 70 78	
Crossings	8 40	
Ties	1,829 15	
Frogs	1,174 50	
Steel rails	4,483 45	
Spikes	327 72	
Splices, etc.	436 24	
Switch fixtures	581 41	
Labor putting in	1,930 71	10,842 36

Engineering expenses—

Cost of special surveys	218 50
Total	<u>\$113,544 38</u>

The several items composing the expenditure for extraordinary expenses during the year ended June 30th, 1897, are as follows:

Cost of clearing freight wrecks	\$ 429 82
Cost of repairing trestles damaged by fire	750 14
Watching and going over track after storms	207 96
Cost of protecting track on east bank of Arkansas river near Little Rock, Ark., which was caving in rapidly	11,773 60
Expenses incurred in protecting property and repairing damages caused by high water and washouts, principally near Bird's Point, Mo., due to overflow of Mississippi river	27,251 41
Total	<u>\$40,412 93</u>

EXHIBIT B.

ACCRUED INTEREST ON BONDS—ENTIRE SYSTEM.

The semi-annual interest on first mortgage four per cent. bonds was paid as it became due, as follows:

Coupon No. 12, due November 1st, 1896	\$400,000 00
Coupon No. 13, due May 1st, 1897	400,000 00
Total	<u>\$800,000 00</u>

EXHIBIT C.

TAXES ACCRUED, FISCAL YEAR—ENTIRE SYSTEM.

Taxes accrued, fiscal year ended June 30th, 1897	\$121,485 44
Taxes accrued, fiscal year ended June 30th, 1896	128,551 97
Decrease	\$ 7,066 53

This account is charged with the monthly pro rata of taxes assessed for the year, and, whenever practicable, State and County warrants that can be purchased at a discount are bought and used in paying taxes. The difference between the face value and cost of warrants to the company is credited to "Taxes Accrued." During the fiscal year ended June 30th, 1897, the profit on warrants purchased amounted to \$4,380.23.

The following comparative statement shows the amount of taxes for the calendar year assessed by and paid to each State in which the line is located:

TAXES PAID, CALENDAR YEAR—ENTIRE SYSTEM.

STATE.	Year 1896.	Year 1895.	Increase.	Decrease.
Missouri	\$ 14,102 92	\$ 13,599 34	\$ 503 58	—
Arkansas	51,480 04	52,000 59	—	\$ 520 55
Louisiana	4,971 10	4,562 10	409 00	—
Texas	55,311 61	58,963 65	—	3,652 04
Total taxes paid—calendar year	\$125,865 67	\$129,125 68	—	\$3,260 01

EXHIBIT D.

INTEREST AND EXCHANGE—ENTIRE SYSTEM.

Total for year ended June 30th, 1897	\$17,268 31
Total for year ended June 30th, 1896	16,184 97
Increase	\$ 1,083 34

This account covers the net amount expended for interest on floating debt.

EXHIBIT E.

ALL OTHER PAYMENTS CHARGED AGAINST INCOME ACCOUNT—
ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Decrease.
Equipment trust expenses, St. Louis Southwestern Car Trust—Series A . . .	\$13,783 44	\$14,266 75	—	\$483 31
Adjustment of sundry accounts	1,893 43	1,038 39	\$855 04	—
Total	\$15,676 87	\$15,305 14	\$371 73	—

EXHIBIT F.

INTEREST ON BONDS OWNED—ENTIRE SYSTEM

DESCRIPTION.	Year ended June 30, 1897.	Year ended June 30, 1896.	Decrease.
Interest on first mortgage certificates of the St. Louis Southwestern Ry. Co., in Treasury, 4%	—	\$6,866 68	\$6,866 68
Interest on \$25,000 first mortgage bonds Para- gould Southeastern Ry. Co., 6%	\$1,500 00	1,500 00	—
Total	\$1,500 00	\$8,366 68	\$6,866 68

The large decrease in this account is due to the sale in September, 1896, of the balance of \$140,000 (par value) of first mortgage certificates of the St. Louis Southwestern Railway Co. held in the Treasury. The interest which accrued from July 1st, 1896, to date of sale was covered by the coupon due November 1st, 1896, which was left attached to the certificates when sold.

EXHIBIT G.

ALL OTHER RECEIPTS—CREDITED INCOME ACCOUNT.
ENTIRE SYSTEM.

Adjustment of sundry accounts, etc., fiscal year ended June 30th, 1897	\$2,084 17
Adjustment of sundry accounts, etc., fiscal year ended June 30th, 1896	1,710 02
Increase.	\$ 374 15

EXHIBIT H.

COST OF ROAD AND EQUIPMENT—ENTIRE SYSTEM.

CHANGES DURING YEAR ENDED JUNE 30TH, 1897.			
RIGHT OF WAY SETTLEMENTS		\$2,047	25
ADDITIONAL LAND PURCHASED—			
For station and yard facilities at Rector and Paragould, Ark., and Mt. Pleasant, Pittsburg and Hillsboro, Tex.	\$1,101	50	
For additional right of way to obtain earth to raise track subject to overflow, etc. . .	210	15	
For reservoir for company water supply at Mt. Pleasant, Texas	250	00	
For right-of-way to gravel pits near Pittsburg and Gatesville, Texas.	42	50	
For additional shop and yard facilities at Tyler, Texas	8,270	00	9,874 15
Total additions		\$11,921	40
EQUIPMENT—			
<i>Locomotives sold—</i>			
One narrow gauge locomotive sold, less cost of repairs	\$1,962	09	
<i>Less locomotives fitted up for sale and cars built—</i>			
One narrow gauge locomotive fitted up for sale, not yet disposed of	\$169	67	
One new pile driver built	475	06	644 73
Net reduction account of equipment		1,317	36
Total net additions for the year		\$10,604	04
COST OF ROAD AND EQUIPMENT TO JUNE 30TH, 1897.			
Total cost to July 1st, 1896	\$65,446,910	67	
Total net additions for the fiscal year ended June 30th, 1897		10,604	04
Total cost of road and equipment to June 30th, 1897	\$65,457,514	71	

EXHIBIT I.

CONSTRUCTION ACCOUNTS—ENTIRE SYSTEM.

Argenta Extension	\$20,722	81
Survey—Delta to Cape Girardeau	808	14
Total	\$21,530	95

No changes have been made in these accounts during the fiscal year ended June 30th, 1897.

EXHIBIT J.

REAL ESTATE—ENTIRE SYSTEM.

In Little Rock (not used for railroad purposes) \$27,327 95

During the fiscal year ended June 30th, 1897, no change has been made in this account.

EXHIBIT K.

INVESTMENTS IN STOCKS AND BONDS—ENTIRE SYSTEM.

CLASS OF SECURITY.	Interest received this year.	June 30, 1897.		June 30, 1896.	
		Face value.	Cost to Co.	Face value.	Cost to Co.
Capital stock, Paragould Southeastern Ry. Co. . .	—	\$ 25,000 00	—	\$ 25,000 00	—
First mortgage bonds, Paragould Southeastern Ry. Co.—6%	\$1,500 00	25,000 00	\$ 25,000 00	25,000 00	\$ 25,000 00
First mortgage bonds, Gulf & Ship Island Ry. . . .	—	—	—	15,000 00	1,500 00
Capital stock, St. L. S. W. Ry. Co.—preferred . . .	—	106,350 00	106,350 00	106,350 00	106,350 00
Capital stock, St. L. S. W. Ry. Co.—common . . .	—	143,900 00	143,900 00	143,900 00	143,900 00
First mortgage certificates, St. L. S. W. Ry. Co.—4% .	—	—	—	140,000 00	140,000 00
Total.	\$1,500 00	\$ 300,250 00	\$275,250 00	\$455,250 00	\$416,750 00
Decrease current fiscal year.	—	\$ 155,000 00	\$141,500 00	—	—

FIRST MORTGAGE CERTIFICATES—ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

In September, 1896, the balance of \$140,000 first mortgage certificates, remaining in the Treasury was sold with the November 1896 coupons attached, which accounts for the fact that no interest on these certificates was received during the current fiscal year.

STOCK AND BONDS—PARAGOULD SOUTHEASTERN RAILWAY COMPANY.

As stated in the Fifth Annual Report for the year ended June 30th, 1896, page 25, your company owns one-half of the capital stock and one-half of the bonds, now outstanding, of the Paragould Southeastern Railway Company, which connects with this line at Paragould, Ark., and extends from that point to Cardwell, Mo., a distance of 12.05 miles. The first mortgage bonds of the Paragould Southeastern Railway Company bear interest at the rate of 6 per cent., and the interest on the \$25,000 of such bonds owned by your company, which fell due during the year, was promptly paid.

The annual report of that company, submitted by the President, Mr. W. C. Hasty, of Paragould, Ark., shows the following financial results from operation for the fiscal year ended June 30th, 1897: Gross earnings, \$17,827.05; operating expenses, \$10,486.13; net earnings, \$7,340.92; accrued interest on bonds, accrued taxes, and all other payments charged against net earnings, \$3,223.19; surplus income, \$4,117.73.

FIRST MORTGAGE BONDS—GULF & SHIP ISLAND RAILWAY COMPANY.

Your company held a judgment against the Gulf & Ship Island Railway in the amount of \$12,000, on account of a note given by the Union Investment Company in settlement for 35-pound rails, to be used in construction of the Gulf & Ship Island Railway, secured by \$15,000 of first mortgage bonds as collateral. The negotiations looking toward a settlement of this account, mentioned in the Fifth Annual Report for the year ended June 30th, 1896, page 26, as pending, have been concluded, and upon the surrender of the \$15,000 of first mortgage bonds a net collection of \$6,000 was effected in full settlement of all charges against the Gulf & Ship Island Railway Company, and the Union Investment Company. This amount was applied, first, toward settlement of the purchase price of the bonds, namely, \$1,500,

and the remainder was credited to the judgment against the Gulf & Ship Island Railway, leaving an unsettled balance, on the judgment, of \$7,567.44, which was charged off to profit and loss account. Considering the character and age of this debt, and the various interests involved in the litigation, this settlement may be regarded as exceedingly favorable to your company.

EXHIBIT L.

CAPITAL STOCK—ENTIRE SYSTEM.

JUNE 30th, 1897.

DESCRIPTION.	Number of shares authorized.	Par value of shares.	Total par value authorized.	Total amount issued and outstanding.
Preferred	200,000	\$100 00	\$20,000,000 00	\$20,000,000 00
Common	165,000	100 00	16,500,000 00	16,500,000 00
Total	365,000	—	\$36,500,000 00	\$36,500,000 00

No change has been made in this account during the current fiscal year.

EXHIBIT M.

FUNDED DEBT—ENTIRE SYSTEM.

JUNE 30th, 1897.

DESCRIPTION.	Time.		Amount of authorized issue.	Amount issued.	Amount out-standing.	Interest.	
	Date of issue.	When due.				Rate.	When payable.
First mortgage bonds	Nov. 1, 1890.	Nov. 1, 1989.	\$20,000,000 00	\$20,000,000 00	\$20,000,000 00	4%	May and Novemb'r
Second mortgage, income, bonds	Nov. 1, 1890.	Nov. 1, 1989.	10,000,000 00	8,000,000 00	8,000,000 00	*4%	January and July.
Total	—	—	\$30,000,000 00	\$28,000,000 00	\$28,000,000 00	—	—

*If earned.

No change has been made in this account during the current fiscal year.

EXHIBIT N.

EQUIPMENT TRUST OBLIGATIONS.

JUNE 30TH, 1897.

Total outstanding June 30th, 1896			\$359,092 60
Deduct—			
Notes paid during fiscal year ended June 30th, 1897, amounting to . .			64,584 86
Total outstanding June 30th, 1897, shown in detail below			\$294,557 74
WHEN DUE.	St. L. Ark. & Tex. Ry.	St. L. S. W. Ry.	Total.
	Series "A 37."	Series "A."	
Due prior to July 1st, 1897, extended.	—	\$44,000 00	\$ 44,000 00
Due during year ending June 30th, 1898	\$ 77,285 16	25,000 00	102,285 16
" " " " " 30th, 1899	23,272 58	25,000 00	48,272 58
" " " " " 30th, 1900	—	25,000 00	25,000 00
" " " " " 30th, 1901	—	25,000 00	25,000 00
" " " " " 30th, 1902	—	25,000 00	25,000 00
" " " " " 30th, 1903	—	25,000 00	25,000 00
Total.	\$100,557 74	\$194,000 00	\$294,557 74
Average annual payment for six years	—	—	\$ 49,092 96

During the fiscal year ended June 30th, 1897, the last note covered by Equipment Trust Agreement, Series A-1, of St. Louis Arkansas & Texas Railway issue, was paid, and the equipment covered by that agreement is now owned by your company.

Attention is called to the fact that the amount of notes paid during the current fiscal year, namely, \$64,534.86, is greater than the average annual payment shown in the Fifth Annual Report, namely, \$51,298.94, which reduces the average annual payment on equipment trust obligations outstanding June 30th, 1897, for the next six years to \$49,092.96.

EXHIBIT O.

FLOATING DEBT—ENTIRE SYSTEM.
JUNE 30TH, 1897.

ACCOUNTS.	June 30, 1897.	June 30, 1896.	+ Increase, - Decrease, This year.
DEFERRED AND CURRENT LIABILITIES.			
DEFERRED—			
Notes payable—due on stated dates after July 1st	\$ 377,500 00	\$ 312,415 00	+\$ 65,085 00
Interest on bonds, accrued—not due until November 1st.	133,333 33	133,333 33	—
Taxes accrued to June 30th—not due until December 31st.	62,096 30	61,870 10	+ 226 20
Hospital fund	4,360 66	3,295 72	+ 1,064 94
	\$ 577,290 29	\$ 510,914 15	+\$ 66,376 14
CURRENT—			
Audited vouchers unpaid	\$ 392,104 84	\$ 437,339 68	-\$ 45,234 84
Audited pay rolls unpaid	253,802 40	262,672 45	- 8,870 05
Interest on bonds—due and unpaid (unpresented coupons).	32,600 00	38,560 00	- 5,960 00
Notes payable—due on demand	—	75,600 00	- 75,600 00
	\$ 678,507 24	\$ 814,172 13	-\$ 135,664 89
Total deferred and current liabilities	\$1,255,797 53	\$1,325,086 28	-\$ 69,288 75
CURRENT ASSETS.			
CASH—			
In hands of Treasurer	\$ 62,468 15	\$ 51,268 21	+\$ 11,199 94
Remittances in transit from agents and conductors	54,639 21	52,692 48	+ 1,946 73
In hands of Paymaster	4,957 58	4,629 00	+ 328 58
Central Trust Co. of New York—to pay unpresented coupons	32,600 00	38,560 00	- 5,960 00
On deposit with Brooklyn Trust Co., N.Y.	2,053 09	3,194 97	- 1,141 88
	\$ 156,718 03	\$ 150,344 66	+\$ 6,373 37
SUNDRY ACCOUNTS COLLECTIBLE—			
Station agents and conductors	\$ 34,066 64	\$ 25,043 99	+\$ 9,022 65
Bills receivable	7,242 10	8,058 73	- 816 63
U. S. Post Office Department	38,816 91	38,800 29	+ 16 62
Pacific Express Co.	6,000 00	6,000 00	—
Individuals and companies—open acct's	25,862 86	93,365 50	- 67,502 64
	\$ 111,988 51	\$ 171,268 51	-\$ 59,280 00
ADVANCES TO SUNDRY AGENTS (to be accounted for)	\$ 3,576 20	\$ 6,333 88	-\$ 2,757 68
PREPAID INSURANCE	\$ 4,650 63	\$ 2,266 70	+\$ 2,383 93
SUPPLIES ON HAND—			
Shop supplies	\$ 93,391 48	\$ 125,571 51	-\$ 32,180 03
Fuel	23,465 21	27,566 89	- 4,101 68
Bridge and building material	52,646 86	58,168 12	- 5,521 26
Cross ties	41,327 74	18,000 70	+ 23,327 04
Steel rails—new	12,217 92	36,423 03	- 24,205 11
Second-hand rails	18,882 17	17,668 08	+ 1,214 09
Stationery stock	5,946 10	5,875 80	+ 70 30
	\$ 247,877 48	\$ 289,274 13	-\$ 41,396 65
Total current assets	\$ 524,810 85	\$ 619,487 88	-\$ 94,677 03
FLOATING DEBT, or balance of deferred and current liabilities in excess of current assets	\$ 730,986 68	\$ 705,598 40	+\$ 25,388 28
Less market value, June 30th, of other available assets owned by the company, consisting of investments in stocks and bonds, as shown by Exhibit K.	39,740 94	137,750 75	- 98,009 81
NET FLOATING DEBT, JUNE 30TH.	\$ 691,245 74	\$ 567,847 65	+\$ 123,398 09

The decrease of \$98,009.81 in market value of "other available assets" in the form of stocks and bonds owned in the Treasury

is caused by the sale in September, 1896, of the balance of the first mortgage certificates remaining in the Treasury, amounting to \$140,000 (par value), and also in a small degree to the fluctuation in the market value of securities remaining in the Treasury June 30th, 1897.

There are included in the foregoing statement, under the head of "Deferred Liabilities," interest on bonds accrued to June 30th, not due until November 1st, 1897, \$133,333.33, and taxes for the year 1897 accrued to June 30th, 1897, not due until 1898, \$62,096.30. The net floating debt exclusive of these items of interest and taxes accrued but not due for several months, aggregating \$195,429.63, would amount to \$495,816.11. The amount of this net floating debt is principally covered by notes payable to the amount of \$377,500 due on stated dates after July 1st, 1897, mainly during the fall, at which time the receipts greatly exceed those of any other period of the year.

EXHIBIT P.

MISCELLANEOUS ACCOUNTS—ENTIRE SYSTEM.

JUNE 30TH, 1897.

DESCRIPTION.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.
Equipment replacement fund	\$84,720 00	\$53,905 00	\$30,815 00
Donated town lot sales	5,656 00	5,301 00	355 00
Total	\$90,376 00	\$59,206 00	\$31,170 00

EXHIBIT Q.

SUMMARY OF FINANCIAL TRANSACTIONS—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1897.

The following statement, considered in connection with the foregoing financial exhibits, furnishes in a condensed form an analysis of all resources, showing also, how the same were appropriated, during the fiscal year ended June 30th, 1897:

RESOURCES.		
Cash balance July 1st, 1896		\$ 51,268 21
Gross earnings from operation	\$4,743,546 43	
Miscellaneous income	3,584 17	
Sale of St. L. S. W. Ry. securities—face value	140,000 00	
Gulf and Ship Island Ry. bonds, surrendered in settlement of account, par value \$15,000, cost to company	1,500 00	
Decrease in current assets (exclusive of cash in hands of Treasurer)	105,876 97	
Increase of deferred liabilities	66,376 14	
Increase of miscellaneous accounts . . .	31,170 00	5,092,053 71
		<u>\$5,143,321 92</u>
APPROPRIATION OF RESOURCES.		
Operating expenses (including betterments)	\$3,855,888 24	
Interest on bonds, taxes and all other payments charged against income	954,430 62	
Discount on St. L. S. W. Ry. securities in Treasury sold	45,887 97	
Compromise settlement of suit of Britton & Lyon, contractors, vs. St. L. A. & T. Ry. in Texas, for construction work done on Sherman and Ft. Worth branches in 1887-8	6,073 85	
Bad debts charged off:		
Gulf and Ship Island Ry. balance of account—uncollectible	\$7,567 44	
Receiver, Newport News & Mississippi Valley Co.—uncollectible	201 86	7,769 30
Increase of cost of road and equipment	10,604 04	
Equipment trust obligations paid	64,534 86	
Decrease of current liabilities	135,664 89	5,080,853 77
		<u>\$ 62,468 15</u>
Cash balance June 30th, 1897		

TRAFFIC.

FREIGHT TRAFFIC.

TONNAGE AND REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Per cent.	Decrease.	Per cent.
No. of tons carried . .	1,524,709	1,487,078	37,631	2.53	—	—
No. of tons carried one mile	325,472,192	312,998,714	12,473,478	3.99	—	—
Average distance haul of one ton (miles) . .	213.47	210.48	2.99	1.42	—	—
*Total freight revenue .	\$3,668,481.77	\$3,685,638.68	—	—	\$17,156.91	.47
*Average revenue per ton	\$2.4060	\$2.4784	—	—	\$0.0724	2.92
*Average revenue per ton per mile	\$0.0113	\$0.0118	—	—	\$0.0005	4.24

* Actual revenue derived from hauling freight, not including any portion of miscellaneous revenue.

The results as tabulated in the foregoing statement show an increase in the number of tons carried of 37,631 or 2.53 per cent., and an increase in the number of tons carried one mile of 12,473,478 or 3.99 per cent. The average revenue per ton, however, decreased \$0.0724 or 2.92 per cent., and the average revenue per ton per mile decreased \$0.0005 or 4.24 per cent., which resulted in a decrease in the total freight revenue of \$17,156.91 or .47 of one per cent.

The increase in the number of tons carried, as against a decrease in the total freight revenue, is mainly attributable to the heavy increased movement of grain and grain products, a class of freight which earned very light revenue on account of the keen competition between lines operating from the grain

producing sections of the West. Rates generally were uniformly maintained throughout the fiscal year.

The average distance haul of one ton of freight during the year for which this report is made shows an increase of 2.99 miles or 1.42 per cent. over the preceding year.

Following this will be found a table showing the total tonnage, and the number of tons of each commodity transported during the fiscal year ended June 30th, 1897, compared with the preceding fiscal year. This table states clearly the general tonnage movement, showing the increase or decrease in the tonnage of each commodity, the per cent. thereof, and the relative percentage of the tonnage of each commodity to the total tonnage:

CLASSIFICATION OF TONNAGE—ENTIRE SYSTEM.

TOTAL TONNAGE TRANSPORTED.

COMMODITIES.	Year ended June 30, 1897.		Year ended June 30, 1896.		Increase.		Decrease.	
	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.
Lumber	709,664	46.54	757,873	50.96	—	—	48,209	6.36
Cotton	112,983	7.41	97,621	6.56	15,362	15.74	—	—
Cotton seed products	68,054	4.46	71,336	4.80	—	—	3,282	4.60
Grain	142,275	9.33	81,367	5.47	60,908	74.86	—	—
Flour	48,947	3.21	58,673	3.95	—	—	9,726	16.58
Other mill products	43,711	2.87	15,302	1.03	28,409	185.66	—	—
Hay	28,928	1.90	35,759	2.40	—	—	6,831	19.10
Tobacco	407	.03	400	.03	7	1.75	—	—
Vegetables	31,352	2.06	22,360	1.50	8,992	40.21	—	—
Live stock	54,988	3.61	58,147	3.91	—	—	3,159	5.43
Packing house products	17,766	1.17	12,448	.84	5,318	42.72	—	—
Merchandise	75,953	4.98	68,125	4.58	7,828	11.49	—	—
Coal (includ'g charcoal)	36,052	2.36	52,066	3.50	—	—	16,014	30.76
Oil	13,507	.88	12,307	.83	1,200	9.75	—	—
Sugar	9,220	.60	7,015	.47	2,205	31.43	—	—
Agricultural implements	3,424	.22	3,484	.23	—	—	60	1.72
Household goods	7,296	.48	8,122	.55	—	—	826	10.17
Salt	8,220	.54	9,746	.66	—	—	1,526	15.66
Wine, liquors and beer	7,737	.51	5,917	.40	1,820	30.76	—	—
Miscellaneous	104,225	6.84	109,010	7.33	—	—	4,785	4.39
Total	1,524,709	100.00	1,487,078	100.00	132,049	—	94,418	—
Net increase					37,631	2.53	—	—

From the foregoing table it will be noted that the net increase of 37,631 tons was not due to the increase in any particular

commodity, but represents increases in various commodities, principally cotton, grain and grain products, vegetables and merchandise, and decreases mainly in lumber, flour, hay, coal and miscellaneous freight.

Lumber furnishes the largest decrease, in number of tons carried, of any commodity transported, which was due to the extreme inactivity of the lumber market.

Following will be found a brief table, giving the number of bales of cotton transported, tonnage of same, and percentage of tonnage to total tonnage transported, and the revenue derived from the transportation of cotton, and percentage of such revenue to the total freight revenue, for the fiscal years ended June 30th, 1893, 1894, 1895, 1896, 1897:

COTTON.

Year ended June 30.	No. of bales.	No. of tons.	Per cent. of tonnage to total tonnage.	Revenue.	Per cent. of revenue to total freight revenue.
1893	331,726	84,690	05.62	\$ 643,312 14	16.13
1894	400,480	101,994	07.68	744,484 37	21.28
1895	628,015	163,022	11.09	1,019,333 51	25.03
1896	375,087	97,621	06.56	597,907 80	16.22
1897	440,073	112,983	07.41	659,747 47	17.96

From this table it will be noted that in point of tonnage the cotton traffic handled over your lines during the past season was the largest in its history, except the season of 1894-5, in which was produced an exceptionally large crop. The tonnage of cotton transported during the year for which this report is made, shows an increase over the previous year of 15,362 tons or 15.74 per cent. It will be further noted, however, that the revenue derived from cotton did not increase in proportion to the tonnage of this commodity, and this disparity is explained by the fact

that during the past year a larger portion than usual of the cotton transported moved via the Gulf routes on which your lines received a short haul.

The heavy increase in grain and other mill products is the result of the failure of the grain crop in Texas in 1896, that State being supplied largely from the western section of the country.

On account of extreme dry weather the hay crop of 1896 was a partial failure in the territory tributary to your lines, which explains the decrease in the tonnage of this commodity transported, of 6,831 tons or 19.10 per cent.

The extensive cultivation of fruit in Eastern Texas, and melons in Southeast Missouri, continues with marked success, as indicated in the increase in tonnage classified under the head of "vegetables" transported, of 8,992 tons or 40.21 per cent, and your company is making every effort to induce experienced agriculturists to locate upon the lands along your lines so admirably adapted to the raising of all kinds of fruit and vegetables.

The movement of merchandise shows an increase over the previous year of 7,828 tons or 11.49 per cent. Under this heading is included less than car load shipments of all kinds, not classified under other headings.

The decrease of 16,014 tons in coal transported is due principally to the fact that the charcoal camp located at Wells, Texas, on the Tyler Southeastern Railway, which supplied the Penitentiary at Rusk, Texas, was abandoned during the early part of the fiscal year for which this report is made.

Miscellaneous freight, which includes all car load freight not classified under other headings, decreased 4,785 tons or 4.39 per cent., and reflects the retarded movement of manufactured articles from the central and eastern markets to southwestern points.

The information shown in the table "Classification of Tonnage" on page 34, subdivided under "Tonnage originating on

this system" and "Tonnage received from connecting roads," will be found in the following tables :

TONNAGE ORIGINATING ON THIS SYSTEM.

COMMODITIES.	Year ended June 30, 1897.		Year ended June 30, 1896.		Increase.		Decrease.	
	Tons.	Per cent. of com- modity total.	Tons.	Per cent. of com- modity total.	Tons.	Per cent.	Tons.	Per cent.
Lumber	653,530	92.09	689,948	91.04	—	—	36,418	5.28
Cotton	104,700	92.67	90,914	93.13	13,786	15.16	—	—
Cotton seed products	57,547	84.56	66,522	93.25	—	—	8,975	13.49
Grain	43,567	30.62	53,553	65.82	—	—	9,986	18.65
Flour	7,582	15.49	8,204	13.98	—	—	622	7.58
Other mill products	20,424	46.73	9,294	60.74	11,130	119.75	—	—
Hay	15,264	52.77	23,237	64.98	—	—	7,973	34.31
Tobacco	1	.25	13	3.25	—	—	—	—
Vegetables	9,516	30.35	11,791	52.73	—	—	2,275	12.92.31
Live stock	37,219	67.69	42,364	72.86	—	—	5,145	19.29
Packing house products	865	4.87	697	5.60	168	24.10	—	—
Merchandise	34,114	44.91	30,783	45.19	3,331	10.82	—	—
Coal (includ'g charcoal)	12,480	34.62	21,508	41.31	—	—	9,028	41.98
Oil	2,198	16.27	768	6.24	1,430	186.20	—	—
Sugar	732	7.94	327	4.66	405	123.85	—	—
Agricultural implements	436	12.73	376	10.79	60	15.96	—	—
Household goods	1,974	27.06	2,560	31.52	—	—	586	22.89
Salt	140	1.70	926	9.50	—	—	786	84.88
Wine, liquors and beer	576	7.44	447	7.55	129	28.86	—	—
Miscellaneous	39,685	38.08	50,025	45.89	—	—	10,340	20.67
Total	1,042,550	68.38	1,104,257	74.26	—	—	61,707	5.59

TONNAGE RECEIVED FROM CONNECTING ROADS.

COMMODITIES.	Year ended June 30, 1897.		Year ended June 30, 1896.		Increase.		Decrease.	
	Tons.	Per cent. of com- modity total.	Tons.	Per cent. of com- modity total.	Tons.	Per cent.	Tons.	Per cent.
Lumber	56,134	7.91	67,925	8.96	—	—	11,791	17.36
Cotton	8,283	7.33	6,707	6.87	1,576	23.50	—	—
Cotton seed products	10,507	15.44	4,814	6.75	5,693	118.26	—	—
Grain	98,708	69.38	27,814	34.18	70,894	254.89	—	—
Flour	41,365	84.51	50,469	86.02	—	—	9,104	18.04
Other mill products	23,287	53.27	6,008	39.26	17,279	287.60	—	—
Hay	13,664	47.23	12,522	35.02	1,142	9.12	—	—
Tobacco	406	99.75	387	96.75	19	4.91	—	—
Vegetables	21,836	69.65	10,569	47.27	11,267	106.60	—	—
Live stock	17,769	32.31	15,783	27.14	1,986	12.58	—	—
Packing house products	16,901	95.13	11,751	94.40	5,150	43.83	—	—
Merchandise	41,839	55.09	37,342	54.81	4,497	12.04	—	—
Coal (includ'g charcoal)	23,572	65.38	30,558	58.69	—	—	6,986	22.86
Oil	11,309	83.73	11,539	93.76	—	—	230	1.99
Sugar	8,488	92.06	6,688	95.34	1,800	26.91	—	—
Agricultural implements	2,988	87.27	3,108	89.21	—	—	120	3.86
Household goods	5,322	72.94	5,562	68.48	—	—	240	4.31
Salt	8,080	98.30	8,820	90.50	—	—	740	8.39
Wine, liquors and beer	7,161	92.56	5,470	92.45	1,691	30.91	—	—
Miscellaneous	64,540	61.92	58,985	54.11	5,555	9.42	—	—
Total	482,159	31.62	382,821	25.74	99,338	25.95	—	—

From the second of these tables it will be noted that the tonnage received from connecting roads for the fiscal year forms 31.62 per cent. of the total tonnage transported as against 25.74 per cent. for the preceding fiscal year.

NEW INDUSTRIES.

A number of new industries were located on your lines during the fiscal year ended June 30th, 1897, the most important of which are the following:

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

Bird's Point, Mo. (M. P. 2)—Slack barrel stave factory erected.

Fleetwood, Mo. (M. P. I-11)—Saw mill erected.

Dexter, Mo.—Handle factory erected.

Campbell, Mo.—Large brick yard erected.

Jonesboro, Ark.—Wagon stock mill erected.

Markle, Ark. (M. P. 177.6)—Wagon stock mill erected.

Rison, Ark.—Saw mill, with capacity of eight or ten cars per month, erected.

Magnesia Springs, Ark. (M. P. 365.2)—Saw mill erected.

Benton, La.—Shingle mill, with capacity of one hundred thousand shingles per week, erected.

Shreveport, La.—Foundry and machine shops, working about twenty men, established.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

Winfield, Tex.—New pottery erected.

Josephine, Tex.—New 210 saw cotton gin erected.

Nevada, Tex.—New 400 saw cotton gin erected.

Plano, Tex.—Grain elevator of seventy-five thousand bushels capacity erected.

NOTE.—In this connection it is appropriate to state that in the grain territory tributary to your lines there is a distinct need for elevators or store-houses for grain.

Big Cypress, Tex. (M. P. 485.7)—A good article of lignite coal has been discovered at this point, which can be mined very cheaply.

Corsicana, Tex.—The discovery of oil at this point, referred to in the preceding annual report, has received satisfactory development, eleven flowing wells now being used, and four more being drilled.

Boone's, Tex. (M. P. 702.7)—A rock quarry has been opened up, producing a good quality of building stone.

Frost, Tex.—Cotton seed oil mill erected.

TYLER SOUTHEASTERN RAILWAY COMPANY.

Forrest, Tex. (M. P. E-613.6)—Saw mill, with capacity of twenty-five thousand feet per day, erected.

PASSENGER TRAFFIC.

PASSENGERS CARRIED AND REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Per cent.	Decrease.	Per cent.
Number of passengers carried .	803,644	935,555	—	—	131,911	14.10
Number of passengers carried one mile	33,214,295	40,159,897	—	—	6,945,602	17.29
Average distance one passenger carried (miles)	41.33	42.93	—	—	1.60	3.73
*Total passenger revenue . . .	\$785,018.07	\$944,146.62	—	—	\$159,128.55	16.85
*Average revenue per passenger	\$0.9768	\$1.0092	—	—	\$0.0324	3.21
*Average revenue per passenger per mile	\$0.0236	\$0.0235	\$0.0001	.43	—	—

*Actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

As confirming the remarks heretofore made respecting the diminished passenger earnings for the current fiscal year, the foregoing table will be found interesting.

The number of passengers carried decreased 131,911, or 14.10 per cent., and the number of passengers carried one mile

decreased 6,945,602, or 17.29 per cent., and the total passenger revenue decreased \$159,128.55, or 16.85 per cent. The average distance one passenger carried decreased 1.60 miles, or 3.73 per cent., the average revenue per passenger decreased \$0.0324, or 3.21 per cent., while the average revenue per passenger per mile increased \$0.0001, or .43 of one per cent., indicating that passenger rates have been well maintained.

Following this will be found an analytical table showing the general passenger movement for the fiscal year ended June 30th, 1897, compared with the preceding fiscal year:

CLASSIFICATION OF PASSENGERS AND PASSENGER REVENUE—
ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1897.	Year ended June 30, 1896.	In- crease.	Per cent.	De- crease.	Per cent.
PASSENGERS CARRIED—						
Local tickets	623,257	727,112	—	—	103,855	14.28
Cash fares	113,950	128,978	—	—	15,028	11.65
Home coupon tickets . .	32,730	37,776	—	—	5,046	13.36
Foreign coupon tickets .	33,707	41,689	—	—	7,982	19.15
Total	803,644	935,555	—	—	131,911	14.10
PASSENGERS CARRIED ONE MILE—						
Local tickets	18,539,333	21,228,234	—	—	2,688,901	12.67
Cash fares	1,440,882	1,758,885	—	—	318,003	18.08
Home coupon tickets . .	5,758,089	7,294,308	—	—	1,536,219	21.06
Foreign coupon tickets .	7,475,991	9,878,470	—	—	2,402,479	24.32
Total	33,214,295	40,159,897	—	—	6,945,602	17.29
PASSENGER REVENUE—						
Local tickets	\$478,401 15	\$564,577 59	—	—	\$86,176 44	15.26
Cash fares	44,340 86	53,445 59	—	—	9,104 73	17.04
Home coupon tickets . .	113,042 99	132,227 65	—	—	19,184 66	14.51
Foreign coupon tickets .	149,233 07	193,895 79	—	—	44,662 72	23.03
Total	\$785,018 07	\$944,146 62	—	—	159,128 55	16.85
REVENUE PER PASSENGER—						
Local tickets	\$0.7676	\$0.7765	—	—	\$0.0089	1.15
Cash fares	0.3891	0.4144	—	—	0.0253	6.11
Home coupon tickets . .	3.4538	3.5003	—	—	0.0465	1.33
Foreign coupon tickets .	4.4274	4.6510	—	—	0.2236	4.81
Total	\$0.9768	\$1.0092	—	—	\$0.0324	3.21
REVENUE PER PASSENGER PER MILE—						
Local tickets	\$0.0258	\$0.0266	—	—	\$0.0008	3.01
Cash fares	0.0308	0.0304	\$0.0004	1.32	—	—
Home coupon tickets . .	0.0196	0.0181	0.0015	8.29	—	—
Foreign coupon tickets .	0.0200	0.0196	0.0004	2.04	—	—
Total	\$0.0236	\$0.0235	\$0.0001	.43	—	—

NOTE.—The foregoing results are based on actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

MAIL TRAFFIC.

Mail revenue fiscal year ended June 30th, 1897	\$146,231 84
Mail revenue fiscal year ended June 30th, 1896	143,208 89
Increase.	\$ 3,022 95
Per cent. of increase.	2.11

The increase in mail revenue is caused principally by the increased compensation of \$10,600 per annum for the line of vestibuled railway post office cars, which was established July 1st, 1895. The compensation for such service, as stated in the Fifth Annual Report, page 41, did not commence until January 1st, 1896, six months after the establishment of the line, according to the United States Post Office Department regulations, and, therefore, only one-half of the annual revenue on account of this line was credited to mail earnings during the year ended June 30th, 1896.

CONDUCTING TRANSPORTATION.

TRAIN AND CAR MILEAGE STATISTICS—ENTIRE SYSTEM.

COMPARATIVE FOR YEARS ENDED JUNE 30TH, 1897-96.

FREIGHT.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Per cent.	Decrease.	Per cent.
Total No. of freight cars owned and leased (all classes) at close of the year.	4,353	4,433	—	—	80	1.80
No. of miles run by all freight trains (including mixed trains) .	2,036,992	1,987,431	49,561	2.49	—	—
No. of miles run by freight cars on this line—						
Loaded	29,029,185	28,720,774	308,411	1.07	—	—
Empty	11,374,066	10,461,446	912,620	8.72	—	—
All	40,403,251	39,182,220	1,221,031	3.12	—	—
Home	19,277,984	18,982,235	295,749	1.56	—	—
Foreign	21,125,267	20,199,985	925,282	4.58	—	—
No. of miles run by home cars on foreign lines.	11,707,875	11,541,435	166,440	1.44	—	—
Percentage of empty car mileage to total car mileage	28.15	26.70	1.45	5.43	—	—
Average No. of cars in each freight train—						
Loaded	14.25	14.46	—	—	.21	1.45
Empty	5.58	5.26	.32	6.08	—	—
All	19.83	19.72	.11	.56	—	—
Average load—						
Per loaded car (tons)	11.21	10.90	.31	2.84	—	—
Per train (tons)	159.73	157.49	2.24	1.42	—	—
Average No. of miles run per car per day—						
On this line—Home	24	24	—	—	—	—
On this line—Foreign	26	25	1	4.00	—	—
On foreign lines—Home.	20	19	1	5.26	—	—
PASSENGER.						
Total No. of passenger cars owned (all classes) at close of the year.	99	96	3	3.12	—	—
No. of miles run by pass. trains (not including mixed trains) . .	1,465,147	1,440,748	24,399	1.69	—	—
No. of miles run by passenger cars on this line—						
Home	4,964,136	4,840,535	123,601	2.55	—	—
Foreign	1,216,181	1,228,375	—	—	12,194	.99
All	6,180,317	6,068,910	111,407	1.84	—	—
Average No. of cars in each passenger train.	4.01	3.99	.02	.50	—	—
Average No. of miles run per car per day—						
Home	156	157	—	—	1	.64
Foreign	145	177	—	—	32	18.08

FREIGHT.

It was found necessary during the current fiscal year to continue the policy of running loaded foreign cars through to destination without transferring the contents at junction points, in order to compete with the time in transit made by rival lines, thus causing a large amount of empty car mileage on return trips, which will account, to a great extent, for the increase in the empty car mileage.

During the spring of 1897 the overflow of the Mississippi River closed the Cairo route for nearly a month and made it necessary to divert a large number of loaded home cars via the Delta route. On account of connecting lines not being provided with proper facilities for handling this sudden diversion of traffic, a blockade was caused, which interfered in a very large degree with the economical handling of equipment. Under the circumstances, it was found necessary to allow loaded home cars to go off the line which otherwise would have been transferred at junction stations and to supply their places with foreign cars, thus causing a large increase in foreign car mileage.

Aside from these conditions, which had the effect of increasing the empty car mileage and foreign car mileage, there are other comparisons in the preceding table which are very gratifying. The total tonnage transported shows an increase of 2.53 per cent., while the freight train mileage shows an increase of 2.49 per cent., and the loaded car mileage an increase of only 1.07 per cent. The fact that the per cent. of increase in loaded car mileage is less than the per cent. of increase in total tonnage transported is due to the increased lading of cars, which is evidenced by the increase of 2.84 per cent. in the average load per loaded car.

The mileage made by home cars on this line increased 1.56 per cent., and the mileage made by home cars on foreign lines increased 1.44 per cent.; the total increase in mileage made by

the cars of your company on home and foreign lines during the fiscal year ended June 30th, 1897, being 462,189 miles, which shows a healthy increase in the service obtained from home cars.

The following table shows the amount earned by St. Louis Southwestern Railway System freight cars on foreign roads, and the amount paid for mileage of foreign cars on this line, during the year ended June 30th, 1897, compared with the year ended June 30th, 1896:

AMOUNTS PAID AND RECEIVED FOR MILEAGE OF FREIGHT CARS.

DESCRIPTION.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Per cent.
Amount earned by foreign freight cars on St. L. S. W. Ry. - Entire system	\$136,719 47	\$129,290 18	\$ 7,429 29	5.75
Amount earned by St. L. S. W. Ry. System freight cars on foreign roads. . . .	71,033 97	70,249 47	784 50	1.12
Net balance due foreign roads	\$65,685 50	\$59,040 71	\$ 6,644 79	—

The amount earned by foreign freight cars on this line shows an increase of \$7,429.29 or 5.75 per cent., which is due almost entirely to the increase in the mileage of refrigerator cars belonging to private car lines. A large number of these refrigerator cars reached this line at Northern junction stations loaded for Texas points, and of course ran through without transfer. This increase in amounts paid for use of refrigerator cars reflects a decided increase in the transportation over this line in the class of freight requiring refrigerator cars.

The amount earned by St. Louis Southwestern Railway System cars on foreign lines during the current fiscal year, shows an increase of \$784.50 or 1.12 per cent. over the preceding fiscal year, which is in keeping with the increase of 1.44 per cent. in the mileage made by home cars on foreign lines.

PASSENGER.

While there has been a decrease in passenger earnings, and in total number of passengers carried, it has been necessary to run practically the same number of passenger trains during the current fiscal year as during the preceding fiscal year.

The increase in mileage made by home passenger cars, and the decrease in mileage made by foreign passenger cars, is due to the fact that the through sleeping car service between Memphis and Waco was discontinued in trains Nos. 3 and 4, the sleepers attached to those trains running between Memphis and Texarkana. Between Texarkana and Waco these trains have carried parlor cars in lieu of the sleepers.

MAINTENANCE OF WAY.

ROAD DEPARTMENT.

CHARACTER OF RAIL IN MAIN TRACK, JUNE 30TH, 1897.

LOCATION.	75-lb. Steel. Track miles.	56-lb. Steel. Track miles.	35-lb. Steel. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.				
Main line	23.86	394.14	—	418.00
New Madrid branch	—	—	5.70	5.70
Delta branch	—	51.40	—	51.40
Little Rock branch	—	41.70	—	41.70
Magnolia branch	—	.02	6.38	6.40
Shreveport branch	—	59.50	—	59.50
Total	23.86	546.76	12.08	582.70
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—				
Main line	—	268.08	36.52	304.60
Sherman branch	—	109.90	—	109.90
Ft. Worth branch	—	97.20	—	97.20
Hillsboro branch	—	40.00	—	40.00
Total	—	515.18	36.52	551.70
TYLER SOUTHEASTERN RY. CO.—				
Main line	—	.17	88.43	88.60
ENTIRE SYSTEM, JUNE 30th, 1897 .	23.86	1,062.11	137.03	1,223.00
ENTIRE SYSTEM, JUNE 30th, 1896 .	13.31	1,063.79	145.90	1,223.00
Increase, this year	10.55	—	—	—
Decrease, this year	—	1.68	8.87	—

The following is a summary of the new steel rail weighing 75 pounds to the yard (the standard heretofore adopted) purchased and placed in main track and leads to side tracks to June 30th, 1897, and the amount remaining on hand at that date:

NEW 75-POUND STEEL RAIL PURCHASED AND PLACED IN TRACK.

ITEM.	Tons.	Track miles.
PURCHASED—		
During fiscal year ended June 30th, 1895 . .	1010 1190	8.577
During fiscal year ended June 30th, 1896 . .	2120 1110	17.990
During fiscal year ended June 30th, 1897 . .	301 1110	2.559
Total purchased	3432 1110	29.126
PLACED IN TRACK—		
During fiscal year ended June 30th, 1895 . .	522 1110	4.435
During fiscal year ended June 30th, 1896 . .	1069 1110	9.077
During fiscal year ended June 30th, 1897 . .	1272 1110	10.800
Total placed in track	2865 1110	24.312
Balance on hand June 30th, 1897	567 1110	4.814

From the foregoing table it will be seen that 10.8 miles of standard 75-pound rail were laid during the fiscal year ended June 30th, 1897, making a total of 24.312 miles of 75-pound rail in the track at the close of the fiscal year. This rail is laid between mile posts 297 and 299, and between mile posts 302 and 324, on the main line in Arkansas.

Just before the close of the fiscal year ended June 30th, 1897, orders were placed for 2,000 tons more of this 75-pound rail, which will also be put into the main line in Arkansas between mile posts 274 and 297. This rail was not delivered until some time after the close of the fiscal year. This 2,000 tons of rail will lay about 17 miles of track, and this together with the 4.814 miles of 75-pound rail on hand June 30th, 1897, will make a total of about 46 miles of this class of rail in track when it has all been laid.

The greater portion of the 56-pound rail replaced by the 75-pound rail laid during the current fiscal year was used to replace 35-pound rail on the main line in Texas, south of Waco, as will be seen by the decrease of 8.87 miles of 35-pound steel shown in table headed "Character of Rail in Main Track June 30th, 1897," page 46.

The value of the new 75-pound rail put in track less the value of the old 56-pound rail taken out of track, and the cost of labor changing during the current fiscal year, were charged to operating expenses, maintenance of way, and were not included in the statement of betterments and extraordinary expenses on page 19, although the result has been a great improvement in the track.

CHARACTER OF BALLAST IN MAIN TRACK, JUNE 30TH, 1897.

DESCRIPTION.	Ballasted this year. Track miles.	Total ballasted. Track miles.	Not ballasted. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.—				
Rock	—	3.84	—	3.84
Gravel and sand	17.83	214.04	—	214.04
Cinders . . . . .	.67	19.32	—	19.32
Natural soil and length of bridges and trestles . . .	—	—	345.50	345.50
Total	18.50	237.20	345.50	582.70
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—				
Rock	1.11	89.80	—	89.80
Gravel and sand	4.65	133.32	—	133.32
Cinders . . . . .	.62	25.58	—	25.58
Natural soil and length of bridges and trestles . . .	—	—	303.00	303.00
Total	6.38	248.70	303.00	551.70
TYLER SOUTHEASTERN RY. CO.—				
Rock	—	.06	—	.06
Gravel and sand	—	—	—	—
Cinders	—	.61	—	.61
Natural soil and length of bridges and trestles . . .	—	—	87.93	87.93
Total	—	.67	87.93	88.60
ENTIRE SYSTEM—				
Rock	1.11	93.70	—	93.70
Gravel and sand	22.48	347.36	—	347.36
Cinders	1.29	45.51	—	45.51
Natural soil and length of bridges and trestles . . .	—	—	736.43	736.43
Total	24.88	486.57	736.43	1,223.00

In the foregoing table the figures in the column headed "Ballasted this year. Track miles," represent absolutely new ballast placed in track not heretofore ballasted. The work of repairing and reballasting track which had been previously ballasted is not included therein, although much work of this character has been done.

FENCING ON RIGHT OF WAY, JUNE 30TH, 1897.

LOCATION.	Linear miles of fence.	
	Built this year.	Total June 30, 1897.
St. Louis Southwestern Ry. Co.	7.90	307.96
St. Louis Southwestern Ry. Co. of Texas . .	65.41	319.12
Tyler Southeastern Ry. Co.	—	.45
Entire system	73.31	627.53

During the fiscal year ended June 30th, 1897, no new contracts were let for fencing the right of way.

The 7.90 miles of fence constructed on the line of the St. Louis Southwestern Railway were built by company forces at a cost of \$1,951.52, or an average of \$247.03 per linear mile. The 65.41 miles of fence constructed on the line of the St. Louis Southwestern Railway of Texas cost \$10,342.03, or an average of \$158.11 per linear mile. A portion of this fence was built under a contract which was placed during the preceding fiscal year, and completed during the current fiscal year, the remainder being built by company forces.

As stated in the Fifth Annual Report, the difference in the average cost per linear mile of fence on the line of the St. Louis Southwestern Railway as compared with the average cost per mile on the line of the St. Louis Southwestern Railway of Texas is accounted for by the fact that the standard on the St. Louis Southwestern Railway consists of panels of eight feet, seven barbed wires and a board next to top wire, while on the St. Louis

Southwestern Railway of Texas the standard consists of panels of sixteen feet, using four strands of barbed wire.

The importance of continuing the work of fencing the track until the entire line has been fenced cannot be too strongly urged. The reduction in the amount paid for claims for stock killed and injured by trains, which would result from fencing the line, would make the expenditure for that purpose a very profitable investment.

The table on the following page forms a comparative statement of the most important work of maintenance and improvement in the road department for the entire system as well as for each company separately :

COMPARATIVE STATEMENT OF MAINTENANCE AND IMPROVEMENTS IN ROAD DEPARTMENT,
DURING YEAR ENDED JUNE 30, 1897-1896.

CHARACTER OF WORK.	St. L. S. W. Ry. Co.		St. L. S. W. Ry. Co. of Texas.		T. S. E. Ry. Co.		Entire System.	
	Year ended June 30, 1897.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1896.
Miles of track ditched by plow	44.0	30.6	18.9	—	—	—	62.9	30.6
Miles of track ballasted	18.5	14.4	5.5	1.5	—	—	24.0	15.9
Miles of track laid with 75-lb. steel	10.8	9.3	—	—	—	—	10.8	9.3
Miles of track relaid with 56-lb. steel	4.3	—	10.1	9.4	.1	.1	14.5	9.5
Miles of track relaid with 35-lb. steel	2.1	—	1.7	—	1.0	—	4.8	—
Miles of new saw mill spurs, private and side tracks	6.1	4.0	4.4	5.2	.5	.7	11.0	9.9
Miles of old side tracks taken up	3.3	2.7	1.2	1.3	.3	1.0	4.8	5.0
Number of cross-ties placed in track	448,520	282,194	280,698	279,725	43,586	55,373	772,804	617,292
Sets of switch ties placed in track	101	118	81	112	7	22	189	252

From the foregoing table it will be noted that the track has not only been maintained during the current fiscal year, but has been improved. Special attention is called to the increase of 155,312 cross ties put in track during the current fiscal year on the entire system as compared with the preceding fiscal year. Besides the work of maintenance and improvements included in the foregoing table other important work has been performed, notably the following:

The gradual improvement in the various districts subject to overflow has been continued wherever possible, and many of such places have been permanently improved with satisfactory results. From March 18th to April 11th, 1897, the track was submerged by overflow of the Mississippi river for a distance of six miles from Bird's Point South, and by back water up St. Johns bayou between mile posts 21 and 28, which greatly interfered with traffic on that portion of the line. The flood culminated on March 25th, the gauge at Cairo registering 51.6 feet above low water mark, the highest point on record since 1884. Since the water receded the track that was submerged has been repaired and strengthened including the putting in of 2 miles 805 feet of rock ballast, making the physical condition of the main track as good now as it was prior to the overflow. Plans for improvement of the grade line and adjustment of the water-ways in St. Johns bayou have been perfected, and work will be commenced during the ensuing year. When these improvements have been completed, trains may be operated across this bottom when the river stands at fifty feet on the Cairo gauge.

General improvements in grade and alignment have been made during the current fiscal year, and the work of widening narrow gauge embankments and regulating the drainage has been continued except during the extreme wet season.

BRIDGE AND BUILDING DEPARTMENT.

The work of maintenance and renewals of bridges, trestles and other structures has been steadily carried on during the fiscal year ended June 30th, 1897. The following table furnishes the location and description of all permanent spans on June 30th, 1897:

BRIDGES—STATEMENT OF PERMANENT SPANS, JUNE 30TH, 1897.

LOCATION.	Mile post. [†]	No. of spans.	Length, each.	Total length.	Kind of structure.	Class.*	Year built.
ST. LOUIS SOUTHWESTERN R'y Co.—							
St. Francis river	70	1	100	100	Plate girder draw	A	1892
White river	214.6	1	355	—	Pin connected draw	A	1892
" "	214.6	1	152	—	Pin connected truss	X	1896
" "	214.6	1	87	594	Plate girder	X	1896
Arkansas river	261	1	65	—	Plate girder	A	1891
" "	261	1	428	—	Pin connected draw	A	1891
" "	261	5	200	—	Pin connected truss	A	1888
" "	261	1	100	1,593	Pin connected truss	A	1891
Saline river	294.5	2	50	—	Plate girder	A	1890
" "	294.5	1	150	250	Pin connected truss	A	1890
Moro river	302.7	1	80	80	Plate girder	A	1893
Ouachita river	335.9	1	290	290	Pin connected draw	A	1891
Red river	396.8	1	300	—	Pin connected draw	C	1883
" "	396.8	1	200	—	Pin connected truss	A	1888
" "	396.8	1	62	562	Plate girder	B	1886
Backwater river	I 3	1	100	100	Pin connected truss	A	1890
Whitewater river	I 8.2	1	140	140	Pin connected truss	A	1890
Castor river	I 19.6	1	130	130	Pin connected truss	A	1893
Total	—	23	—	3,839	—	—	—
ST. LOUIS SOUTHWESTERN R'y Co. OF TEXAS—							
Sabine river	526	1	152	152	Pin connected truss	X	1896
Trinity river	599.3	1	200	200	Pin connected truss	A	1890
Tehuacana river	669.8	1	95	95	Plate girder	A	1893
Brazos river	675.8	3	150	—	Pin connected truss	B	1886
" "	675.8	2	54	558	Plate girder	B	1886
South Bosque river	687.5	1	150	150	Pin connected truss	B	1892
Harris creek	689.5	1	70	70	Plate girder	A	1890
Leon river, 1st crossing	706.8	1	125	125	Pin connected truss	B	1886
" " 2d crossing	711.5	1	125	125	Pin connected truss	B	1886
Cedar creek	D-582.1	1	125	125	Pin connected truss	B	1888
Choctaw creek	D-583.7	1	125	125	Pin connected truss	B	1888
East Fork Trinity river	C-574.2	1	97	97	Plate girder	X	1894
Rowlett's creek	C-584.5	1	110	110	Pin connected truss	X	1894
Spring creek	C-589.6	1	110	110	Pin connected truss	X	1894
Prairie creek	C-591.5	1	80	80	Riveted girder	A	1890
White Rock creek	C-596.1	1	110	110	Pin connected truss	X	1894
Richland creek	F-647.7	1	125	125	Pin connected truss	A	1890
Total	—	20	—	2,357	—	—	—
ENTIRE SYSTEM	—	43	—	6,196	—	—	—

†NOTE.—Location of mile posts: without prefix, Main line; I, Delta branch; F, Hillsboro branch; D, Sherman branch; C, Fort Worth branch.

*NOTE.—Class A, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,000 pounds per linear foot.
 Class B, sufficient to carry two consolidation engines coupled, followed by a rolling load of 2,240 pounds per linear foot.
 Class C, sufficient to carry two mogul engines coupled, followed by a rolling load of 2,000 pounds per linear foot.
 Class X, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,400 pounds per linear foot.

The two combination spans forming the approaches to the draw span at White river on the main line in Arkansas (mile post 214.6), and the steel span across Sabine river on the main line in Texas (mile post 526), mentioned in the Fifth Annual Report as in process of construction, were both completed during the current fiscal year, the aggregate cost of each being respectively \$11,980.83 and \$8,475.46.

BRIDGES—STATEMENT OF TRESTLE BRIDGING.
JUNE 30TH, 1897.

LOCATION.	LENGTH.	
	In linear feet.	In miles.
ST. LOUIS SOUTHWESTERN R'Y Co.—		
Bird's Point incline	1,326	.25
Bird's Point section	28,025	5.31
Jonesboro section	33,505	6.34
Pine Bluff section	47,613	9.02
Delta branch	6,370	1.21
Little Rock branch	4,106	.78
Magnolia branch	1,167	.22
Shreveport branch	5,022	.95
Total	127,134	24.08
ST. LOUIS SOUTHWESTERN R'Y Co. OF TEXAS—		
Texarkana section	36,114	6.84
Tyler section	29,900	5.66
Waco section	4,370	.83
Ft. Worth branch	18,933	3.59
Sherman branch	19,845	3.76
Hillsboro branch	4,628	.87
Total	113,790	21.55
TYLER SOUTHEASTERN R'Y Co.—		
Tyler to Lufkin	13,463	2.55
ENTIRE SYSTEM, June 30th, 1897	254,387	48.18
ENTIRE SYSTEM, June 30th, 1896	256,787	48.64
Decrease, this year	2,400	.46

The work of maintenance of trestles has been well kept up during the current fiscal year. The policy of filling up unnecessary trestles and substituting culverts for them has been continued, which will account for the decrease of 2,400 linear feet or .46 of a mile of trestle bridging during the current fiscal year.

The following table furnishes a summary, by roads, of the work of renewals and improvements (embracing completed structures only) in the bridge and building department for the fiscal year ended June 30th, 1897:

RENEWALS AND IMPROVEMENTS IN BRIDGE AND BUILDING DEPARTMENT (COMPLETED STRUCTURES ONLY), YEAR ENDED JUNE 30TH, 1897.

ST. LOUIS SOUTHWESTERN R'Y CO.		Cost.
White river span and girder		\$11,980 83
Arkansas river protection, M. P. G-295 near Little Rock, Ark.		11,773 60
New wooden trestles 18,532 Linear feet		80,689 61
Culverts 246 Linear feet		595 54
Double tile drains 668 Linear feet		2,592 53
Single tile drains 327½ Linear feet		697 91
Wire fence 7 Miles, 4787 ft. of fence		1,930 31
Farm gates 7		21 21
Fence around section house at Wabbaseca, Ark.		68 12
Station platforms (gravel) 30,080 Square feet		711 48
Station platforms (wood) 2,540 Square feet		260 63
Cotton platforms (wood) three 3,830 Square feet		467 69
Gravel sidewalk 198 Linear feet		55 52
Station buildings 3		690 45
Station buildings (extensions) 2		814 43
Water closets 10		149 53
Station coal bins 4		131 40
Stock pens 1		115 28
Station buildings (general repairs) 2		1,368 20
Stock loading chutes 1		65 97
Cattle guards 40		1,261 09
Car shop roof 1		1,161 33
Engine house for water station 1		31 40
Tool house 1		73 44
Store room 1		128 10
Coaling station (repairs) 1		401 27
Water tank 1		1,013 61
Water station coal bins 3		217 74
Wells 4		5,631 45
Section house and two bunk houses		515 37
Crossings, Pine Bluff streets		326 53
New water system at Pine Bluff, Ark.		8,989 79
Derrick for pile driver 1		179 88
Repairs to buildings, fence, incline, trestles, bridges, etc., and clearing drifts account washouts		1,421 27
Mail cranes 3		48 81
Total, fiscal year ended June 30th, 1897		\$136,581 32
Total, fiscal year ended June 30th, 1896		146,753 71
Decrease this year		\$10,172 39

RENEWALS AND IMPROVEMENTS—Continued.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS.			Cost.
Sabine river span	152	Linear feet	\$ 8,475 46
New wooden trestles	11,610	Linear feet	47,981 84
Culverts	151	Linear feet	158 17
Double tile drain	342½	Linear feet	1,987 78
Single tile drain	683	Linear feet	1,971 57
Wire fence	65	Miles, 2,163 ft. of fence	9,183 07
Farm gates	203		1,070 18
Section house fence	2,555	Feet of fence	151 26
New fence around Tom Bean pond			88 78
Station platforms (wood)	6,650	Square feet	459 11
Station platforms (cinder)	22,106	Square feet	421 91
Station platforms (gravel)	3,880	Square feet	62 17
Station platforms railing	130	Linear feet	47 00
Cotton platforms (five)	11,520	Square feet	648 38
Cotton platform (rebuilding)	1		585 61
Coal platform	7,548	Square feet	689 37
Cattle guards	115		2,944 50
Stock pens	7		1,032 02
Stock loading chutes	1		55 77
Station buildings	1		134 94
Overhead bridge	1		96 24
Water closets	4		53 13
Round house pits	10		2,450 30
Cinder pits	2		379 48
Turn table	1		352 95
Sand house	1		11 95
Oil house	1		25 36
Sand bin	1		37 55
Washout pit	1		45 83
Warning signs	2		24 97
Water stations, tank and tank frames	1		1,091 06
Wells	3		450 03
Water station coal bins	1		92 25
Pump houses	2		124 74
Dam at Plano, Tex.			4,579 35
Sewerage at Tyler, Tex.	1,401	Linear feet	826 27
Cinder pit drainage at Texarkana	350	Linear feet	126 13
Mail cranes	1		16 37
Water car tubs	8		276 35
Total, fiscal year ended June 30th, 1897			\$89,209 20
Total, fiscal year ended June 30th, 1896			108,681 74
Decrease this year			\$ 19,472 54
TYLER SOUTHEASTERN RY. CO.			Cost.
New wooden trestles	560	Linear feet	\$ 2,198 17
Culverts	65½	Linear feet	137 94
Cotton platforms (three)	6,080	Square feet	370 92
Station building	1		338 40
Cattle guards	3		102 80
Stock pens extended	3		373 58
Stock pens	1		145 66
Farm gates	2		8 80
Well house	1		7 64
Total, fiscal year ended June 30th, 1897			\$ 3,683 91
Total, fiscal year ended June 30th, 1896			3,573 61
Increase this year			\$ 110 30
ENTIRE SYSTEM.			
Total, fiscal year ended June 30th, 1897			\$229,474 43
Total, fiscal year ended June 30th, 1896			259,009 06
Decrease this year			\$ 29,534 63

The information contained in the foregoing tables of amounts expended for renewals and improvements in the bridge and building department during the year ended June 30th, 1897, demonstrates that the class of structures included therein have not only been fully maintained but have been substantially improved during the current fiscal year.

As mentioned in the Fifth Annual Report, page 62, a plan of mattress and rock revetment protection work was perfected to prevent the caving of the bank of the Arkansas river near mile post G-295, about four miles below Little Rock, Ark., on the Little Rock branch. This work has been completed during the current fiscal year and has proven entirely successful, all erosion and caving having ceased. The total cost of this work was \$11,773.60.

The policy of replacing plank station platforms with gravel and cinders has been continued during the current fiscal year, a total of 30,080 square feet of gravel platforms having been constructed on the St. Louis Southwestern R'y and 3,880 square feet of gravel platforms and 22,106 square feet of cinder platforms on the St. Louis Southwestern R'y of Texas.

The new water service system at the company shops at Pine Bluff, Ark., mentioned in the Fifth Annual Report, has been completed during the current fiscal year. A high water tank has been erected to give a regular service pressure over the entire yard, the water being lifted from the artesian well into the tank by the Air Lift System, and every building in the yard can be protected from fire by three fire streams throwing 249 gallons per minute each through a fire hose nozzle $1\frac{1}{8}$ inches in diameter, with a pressure of 125 pounds per square inch at the pump.

A dam across Spring creek at Plano, Texas, has also been constructed at a cost of \$4,579.35, which has a capacity of 5,000,000 gallons. This is a valuable addition to the water supply on the Ft. Worth branch, which has heretofore been inadequate.

ENGINEERING DEPARTMENT.

During the fiscal year valuable additions have been made to the permanent records of this department, in the shape of drawings and plans of various kinds, which will enable your company to commence the improvements contemplated thereby on short notice.

IMPORTANT ENGINEERING WORK PERFORMED.

The following engineering work has been performed during the current fiscal year, in addition to that mentioned elsewhere in this report in connection with improvements and maintenance of the road and bridge and building departments:

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

SECTION.	CHARACTER OF WORK PERFORMED.
JONESBORO	Arkansas River mile post 261, main line, near Rob Roy, Arkansas: The protection work completed on the South bank during the preceding fiscal year has held that bank and the river bottom intact and has proven entirely satisfactory, but owing to the scouring of the North bank and the alteration of the sand bars it has become necessary to also protect the North bank. Arrangements have been made to mattress andrevet the North shore to protect the approach to the bridge, and the work will be performed during the ensuing fiscal year.
PINE BLUFF	New steel: Corrected grade lines have been established, embankments widened, and the road bed otherwise prepared for laying new 75-pound steel rail between mile post 274 and mile post 297. As stated elsewhere in this report, 2,000 tons of new 75-pound steel rail have been received since the close of the current fiscal year, which, with the amount remaining on hand at the close of the fiscal year, will be sufficient to lay the track between the mile posts mentioned herein.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

SECTION.	CHARACTER OF WORK PERFORMED.
FORT WORTH	<p>Joint Union Depot with Texas Midland Railroad at Commerce, Texas: Plans for a new joint union depot at Commerce, Texas, including the necessary trackage facilities, were prepared and approved. These plans as designed permit the trains of your company on the Fort Worth branch and Sherman branch to stand on two sides of the depot, and the trains of the Texas Midland Railroad to stand on the third side at the same time without interfering with each other, and provide equal conveniences and facilities for each.</p>
TYLER	<p>New Union Passenger Depot at Corsicana, Texas: Plans for a new joint passenger depot with the Houston & Texas Central Railroad at Corsicana, Texas, were prepared and approved, the estimated cost of the building to be \$10,000, which will be borne jointly by both companies. The contract for the construction of this building will be let, and the work will be performed during the ensuing fiscal year.</p> <p>Extension of freight depot at Corsicana, Texas: Plans for an extension of the present freight depot at Corsicana, Texas, which is constructed of wood, have been prepared, but owing to the building being within the fire limits of the city the construction cannot be commenced without special permission of the city authorities, which it is hoped will soon be given.</p>

MOTIVE POWER AND CAR DEPARTMENT.

Complete information showing your company's equipment on hand at the beginning and close of the current fiscal year, with changes therein during the year, and the operations of the motive power and car department for the current fiscal year compared with the preceding fiscal year, will be found in the tables immediately following:

STATEMENT OF EQUIPMENT—ENTIRE SYSTEM.

CLASS.	On hand June 30, 1896.	Changes during year.						On hand June 30, 1897.
		Purchased.	Built and rebuilt.	Destroyed.	Sold.	Changed.		
						From	To	
LOCOMOTIVES—								
Standard gauge	133	—	—	—	—	—	1	134
Narrow gauge	4	—	—	—	1	1	—	2
Total	137	—	—	—	1	1	1	136
PASSENGER CARS—								
Official Standard gauge	4	—	—	—	—	—	—	4
Chair	9	—	—	—	—	—	—	9
Coaches	52	—	—	—	—	—	—	52
Combination	3	—	—	—	—	—	—	3
Baggage and exp.	6	—	2	—	—	—	—	8
Mail and express	18	—	2	1	—	—	—	19
Mail	4	—	—	—	—	—	—	4
Total	96	—	4	1	—	—	—	99
FREIGHT CARS—								
Refrigerator Standard gauge	25	—	—	—	—	—	—	25
Furniture	124	—	2	1	—	—	—	125
Caboose	72	—	—	—	—	—	—	72
Box	2,559	—	12	33	—	—	—	2,538
Box Narrow	12	—	—	12	—	—	—	—
Stock Standard	308	—	4	18	—	—	1	295
Stock Narrow	1	—	—	—	—	1	—	—
Flat Standard	782	—	3	25	—	12	25	773
Flat Narrow	29	—	—	—	4	25	—	—
Coal Standard	516	—	—	15	—	—	—	501
Cinder cars	—	—	—	—	—	—	11	11
Derricks	2	—	3	—	—	—	—	5
Steam shovels	2	—	—	—	—	—	—	2
Ditching plow	1	—	—	—	—	—	—	1
Plow cars	—	—	—	—	—	—	1	1
Pile driver cars	—	—	4	—	—	—	—	4
Total	4,433	—	28	104	4	38	38	4,353

STATEMENT OF ADDITIONAL EQUIPMENT BUILT AND EQUIPMENT REBUILT AT COMPANY SHOPS.

YEAR ENDED JUNE 30TH, 1897.

CLASS OF EQUIPMENT.	Additional equipment built, charged to equipment account (New).		*Equipment rebuilt to replace cars wrecked and destroyed and condemned equipment put in service.		TOTAL.	
	No.	Cost.	No.	Cost.	No.	Cost.
Baggage cars	—	—	2	\$ 4,300 76	2	\$ 4,300 76
Mail and express cars	—	—	2	5,736 90	2	5,736 90
Furniture cars	—	—	2	1,336 04	2	1,336 04
Box cars	—	—	12	6,501 22	12	6,501 22
Stock cars	—	—	4	1,722 76	4	1,722 76
Flat cars	—	—	3	992 31	3	992 31
Derricks	—	—	3	—	3	—
Pile driver cars	1	\$ 475 06	3	—	4	475 06
Total	1	\$ 475 06	31	\$20,589 99	32	\$21,065 05

* The cost of equipment rebuilt to the extent of the value of same at time of destruction, according to M. C. B. rules, has been charged to "Equipment Replacement Fund," as such value was credited to that fund for rebuilding purposes when the cars were destroyed.

REPAIRS AND MAINTENANCE OF EQUIPMENT—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1897.		Year ended June 30, 1896.		Increase.		Decrease.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
LOCOMOTIVES.								
Running repairs	1,304	\$63,986 59	1,285	\$64,234 13	19	—	—	\$ 247 54
Light repairs . .	125	16,514 77	164	22,174 61	—	—	39	5,659 84
Heavy repairs . .	31	22,637 95	39	20,096 00	—	\$ 2,541 95	8	—
General repairs . .	39	41,428 62	33	36,822 06	6	4,606 56	—	—
Rebuilding . . .	8	24,475 51	12	43,677 50	—	—	4	19,201 99
Total	1,507	\$169,043 44	1,533	\$187,004 30	—	—	26	\$17,960 86
PASSENGER CARS.								
Running repairs.	734	\$10,387 67	695	\$10,163 22	39	\$ 224 45	—	—
Light repairs . .	115	10,452 54	149	11,757 04	—	—	34	\$1,304 50
Heavy repairs . .	33	11,156 95	23	9,315 97	10	1,840 98	—	—
General repairs . .	2	1,542 86	4	4,624 12	—	—	2	3,081 26
Rebuilding . . .	4	7,118 11	5	7,264 75	—	—	1	146 64
Total	888	\$40,658 13	876	\$43,125 10	12	—	—	\$2,466 97
FREIGHT CARS.								
Running repairs	46,811	\$94,038 91	52,724	\$121,330 04	—	—	5913	\$27,291 13
Light repairs . .	1,388	21,637 10	788	12,538 36	600	\$ 9,098 74	—	—
Heavy repairs . .	604	26,708 02	779	34,183 85	—	—	175	7,475 83
General repairs . .	271	20,882 14	304	23,204 02	—	—	33	2,321 88
Rebuilding . . .	284	61,446 21	262	63,548 54	22	—	—	2,102 33
Total	49,358	\$224,712 38	54,857	\$254,804 81	—	—	5499	\$30,092 43
Entire Cost . .	51,753	\$434,413 95	57,266	\$484,934 21	—	—	5513	\$50,520 26

**CONDITION OF EQUIPMENT BY MONTHS DURING THE YEAR—
ENTIRE SYSTEM.**

MONTHS ENDED.	LOCOMOTIVES.		PASSENGER CARS.		
	Number requiring repairs.	Estimated cost of repairs required.	Number requiring repairs.	Estimated cost of repairs required.	
July 1, 1896	36	\$40,250 00	35	\$4,100 00	
July 31, 1896	34	37,750 00	33	3,125 00	
August 31, 1896	32	40,700 00	33	3,500 00	
September 30, 1896	36	41,300 00	30	3,150 00	
October 31, 1896	32	32,400 00	26	2,850 00	
November 30, 1896	32	27,950 00	23	2,525 00	
December 31, 1896	39	28,450 00	26	3,250 00	
January 31, 1897	31	23,450 00	24	3,225 00	
February 28, 1897	40	24,600 00	29	3,525 00	
March 31, 1897	35	22,000 00	33	3,825 00	
April 30, 1897	36	23,100 00	37	3,925 00	
May 31, 1897	38	23,000 00	38	3,850 00	
June 30, 1897	37	29,050 00	37	3,625 00	
MONTHS ENDED.	FREIGHT CARS.				
	Number owned.	Bad order.		In service.	
		Number.	Per cent.	Number.	Per cent.
July 1, 1896	4,433	145	3.27	4,288	96.73
July 31, 1896	4,433	145	3.27	4,288	96.73
August 31, 1896	4,421	209	4.73	4,212	95.27
September 30, 1896	4,418	156	3.53	4,262	96.47
October 31, 1896	4,410	134	3.04	4,276	96.96
November 30, 1896	4,402	169	3.84	4,233	96.16
December 31, 1896	4,393	137	3.11	4,256	96.89
January 31, 1897	4,388	154	3.51	4,234	96.49
February 28, 1897	4,378	174	3.97	4,204	96.03
March 31, 1897	4,378	137	3.13	4,241	96.87
April 30, 1897	4,363	99	2.27	4,264	97.73
May 31, 1897	4,364	151	3.46	4,213	96.54
June 30, 1897	4,353	120	2.75	4,233	97.25

**PERFORMANCE AND COST OF OPERATING LOCOMOTIVES—
ENTIRE SYSTEM.**

ITEM.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.	Decrease.
MILEAGE—				
Passenger	1,484,360	1,460,769	23,591	—
Freight	2,017,779	1,967,410	50,369	—
Switch	792,875	839,057	—	46,182
Work	178,558	183,365	—	4,807
Other service	86,097	94,711	—	8,614
Total	4,559,669	4,545,312	14,357	—
SUPPLIES USED—				
Tons of coal	153,823	154,920	—	1,097
Pints of lubricating oil	259,717	261,152	—	1,435
Pints of all oil	381,621	386,803	—	5,182
Pounds of waste	35,393	33,336	2,057	—
MILES RUN—				
Per ton of coal	29.64	29.34	.30	—
Per pint of lubricating oil	17.56	17.40	.16	—
Per pint of all oil	11.95	11.75	.20	—
Per pound of waste	128.80	136.30	—	7.50
COST OF OPERATING—				
Repairs	\$169,043 44	\$187,004 30	—	\$17,960 86
Stores (oil and waste)	11,944 47	11,712 97	\$ 231 50	—
Fuel (including cost of handling)	299,464 44	317,911 54	—	18,447 10
Engineers and firemen	279,590 37	279,123 15	467 22	—
Wiping and dispatching	50,436 24	51,246 81	—	810 57
Other motive power accounts	3,558 63	3,415 06	143 57	—
Total	\$814,037 59	\$850,413 83	—	\$36,376 24
AVERAGE COST PER ENGINE MILE—				
Repairs	\$0 0371	\$0 0411	—	\$0 0040
Stores (oil and waste)	0 0026	0 0026	—	—
Fuel (including cost of handling)	0 0657	0 0699	—	0 0042
Engineers and firemen	0 0613	0 0614	—	0 0001
Wiping and dispatching	0 0111	0 0113	—	0 0002
Other motive power accounts	0 0008	0 0008	—	—
Total	\$0 1786	\$0 1871	—	\$0 0085
Average number of engines in service monthly	116	119	—	3
Average monthly mileage per engine	3,275	3,183	92	—

By referring to statement of equipment on page 60, it will be seen that during the current fiscal year one narrow gauge locomotive has been sold, and one changed to standard gauge, leaving only two narrow gauge locomotives on hand at the close of the year, which are subject to sale.

Two baggage and express cars and two mail and express cars have been constructed during the year, and one mail and express car has been destroyed, which increases the total number of passenger cars to ninety-nine.

The total number of freight cars has decreased from 4,433 to 4,353, which is due principally to the fact that a number of narrow gauge freight cars have been dismantled in the yards at Pine Bluff and Tyler, which have been replaced, in a measure, by new modern freight cars. Hence, while the total number of freight cars has decreased, the actual cash value of the freight car equipment has been materially increased.

Attention is called to statement on page 63, exhibiting the performance and cost of operating locomotives, which shows some very favorable comparisons with the preceding fiscal year. The total engine mileage shows an increase of 14,357 miles, while the quantity of coal and oil used, show substantial decreases. The average cost per engine mile decreased throughout with the exception of two small items, which remain the same as during the preceding year, while the average monthly mileage per engine shows an increase of ninety-two miles.

Work has been commenced on the additional shop facilities required at Tyler, Texas, and will be pushed forward as rapidly as practicable. Additional store room facilities are needed at Pine Bluff, Ark., and increased shop facilities at various terminal points are again recommended, as the saving in expenses to be accomplished by such additional facilities would soon equal their original cost.

FUEL SUPPLY.

COMPARATIVE STATEMENT OF COAL PURCHASED AND CONSUMED DURING YEARS ENDED JUNE 30TH, 1897-1896. ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1897.	Year ended June 30, 1896.	In- crease.	De- crease.
PURCHASED—				
No. of tons purchased	161,066	165,805	—	4,739
Total cost of coal purchased, ex- cluding company freight	\$280,536 41	\$305,104 99	—	\$24,568 58
Amount of company freight in- cluded in cost of coal purchased	6,539 04	5,571 66	\$967 38	—
Total cost of coal purchased, in- cluding company freight	287,075 45	310,676 65	—	23,601 20
Average cost of coal per ton, ex- cluding company freight	1 74	1 84	—	0 10
Average cost of coal per ton de- livered on line, including com- pany freight	1 78	1 87	—	0 09
CONSUMED—				
No. of tons consumed	161,232	163,122	—	1,890
Total cost of coal consumed, ex- cluding expense of handling . .	\$290,968 24	\$310,737 67	—	\$19,769 43
Total expense of handling coal consumed	21,366 68	22,033 19	—	666 51
Average expense per ton of hand- ling coal consumed	0.1325	0.1351	—	0.0026
Total cost of coal consumed includ- ing expense of handling	312,334 92	332,770 86	—	20,435 94
Average cost of coal consumed per ton, including expense of hand- ling	1 94	2 04	—	0 10

A material reduction in the average price paid for coal has been effected, and is due to reductions in the contract prices secured in January, 1896, mentioned in the Fifth Annual Report, and also to still further reductions in contract prices obtained in

January, 1897. The full effect of the reductions made in January, 1897 is not shown in the figures contained in the foregoing table, because such reductions were only effective during six months of the fiscal year ended June 30th, 1897. Another factor in keeping down the average price paid for coal has been the continuation of the policy of purchasing coal from mines contiguous to the portion of the line on which the coal is to be used; the coal for use of your line north of Texarkana being purchased from Illinois and Arkansas mines, and the coal for use of your lines in Texas being purchased from Texas and Indian Territory mines.

It is gratifying to again be able to report a reduction in the average cost per ton of handling coal consumed. This expense has been showing a steady decrease for several years, which is the result of systematic improvements in facilities for handling coal in the way of coal chutes, hoists, etc.

WOOD.

During the fiscal year ended June 30th, 1897, 2,341 cords of wood were purchased at a total cost of \$2,732.42, being an average of \$1.17 per cord, against the average of \$1.14 per cord paid during the preceding fiscal year. The average cost per cord has been kept down by utilizing for fuel pile ends and other scrap wood, and by purchasing at a very low figure slab wood from saw mills.

TELEGRAPH DEPARTMENT.

The following table shows the mileage of telegraph lines and wires operated, and the expense of operation and repairs in this department, for the fiscal year ended June 30th, 1897, as compared with the preceding fiscal year:

DESCRIPTION OF LINES—ENTIRE SYSTEM.

MILEAGE.	Year ended June 30, 1897.	Year ended June 30, 1896.	Increase.
Miles of railroad	1,223.0	1,223.0	—
Miles of wire owned by this company (on poles owned by W. U. Tel. Co.)	1,074.0	1,074.0	—
Owned by Western Union Tel. Co.	2,838.0	2,806.0	32.0

EXPENSES—ENTIRE SYSTEM.

NATURE OF EXPENSE.	Year ended June 30, 1897.	Year ended June 30, 1896.	De- crease.	Pct. cent.
Salaries of telegraph operators	\$51,490 40	\$59,898 48	\$8,408 08	14.04
Supplies used by operators	995 13	1,234 26	239 13	19.37
Repairs of telegraph line	5,528 87	6,193 43	664 56	10.73
Total	\$58,014 40	\$67,326 17	\$9,311 77	13.83

The telegraph wires are operated jointly by the Western Union Telegraph Company and your company.

During the current fiscal year thirty-two miles of new wire owned by the Western Union Telegraph Company have been erected, and the work of maintenance of the telegraph lines has been well kept up.

HOSPITAL SERVICE.

The hospital at Tyler, Texas, has been efficiently and economically operated during the current fiscal year, under the management of Dr. C. A. Smith, Chief Surgeon. The institution continues self-sustaining, contributions from employees covering all expenses.

The following brief summary shows the operations of this department for the fiscal year, ended June 30th, 1897, compared with the preceding fiscal year:

EMPLOYEES RECEIVING HOSPITAL BENEFITS, ETC. ENTIRE SYSTEM.

DESCRIPTION.	June 30, 1897.	June 30, 1896.	Increase.	Decrease.
Patients in hospital at the beginning of year	70	47	23	—
Patients admitted during the year	1,669	2,232	—	563
Total	1,739	2,279	—	540
Number discharged	1,680	2,193	—	513
Number of deaths	7	16	—	9
Patients remaining in hospital at the close of year	52	70	—	18
Total	1,739	2,279	—	540
Number of dispensary cases treated in St. Louis, Cairo, Jonesboro, Pine Bluff, Waco and Tyler	7,148	6,825	323	—
Total number of employees receiving hospital benefits	8,887	9,104	—	217
Death rate	0.4	0.7	—	0.3

There were only seven deaths at the hospital during the current fiscal year, reducing the death rate to four-tenths of one per cent., the lowest in the history of the institution.

During the latter portion of the current fiscal year some much needed improvements in the hospital plant were commenced, which, when completed, will furnish a modern operating room, additional dining room, kitchen, storeroom and other essential facilities. The plumbing was also overhauled, and when these improvements are finished, the hospital plant will be one of the best in the Southwest.

The reading room has been fairly well supplied with papers and periodicals, for which thanks are due to the kind ladies of Tyler, Texas, Mr. Edwin Gould and others.

CONCLUSION.

In the appendix to this report will be found Comparative Statistics pertaining to the operation of your property during the past nine years, and Income and Financial Exhibits for each of the separate corporations forming your system of railways for the fiscal year ended June 30th, 1897, to which careful attention is invited.

The employees, generally, are to be commended for the intelligence and zeal displayed in the discharge of their respective duties, and for their loyalty to the interests of your company, all of which is acknowledged with pleasure.

For the Board of Directors,

S. W. FORDYCE,

President.

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Comparative Statistics.

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GROSS EARNINGS BY MONTHS

FOR NINE YEARS ENDED JUNE 30TH, 1897—ENTIRE SYSTEM.

Miles operated . . .		1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0
MONTHS.		Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.
July	\$271,385 56	\$271,562 08	\$307,325 18	\$324,298 18	\$354,601 61	\$370,026 35	\$420,298 23	\$275,797 70	\$321,298 23
August	286,109 03	316,852 86	\$313,256 99	\$446,459 69	\$465,809 61	\$490,590 61	\$584,948 23	\$459,797 34	\$584,948 23
September	296,298 22	338,583 27	\$386,613 91	\$447,131 91	\$422,729 36	\$370,213 01	\$479,993 14	\$419,107 34	\$479,993 14
October	383,716 55	\$226,305 37	\$400,964 07	\$777,267 39	\$499,771 72	\$531,772 52	\$581,411 51	\$552,658 83	\$581,411 51
November	363,937 74	\$702,882 71	\$423,560 40	\$505,755 47	\$490,778 31	\$560,788 30	\$496,692 80	\$419,736 04	\$496,692 80
December	364,939 84	\$502,859 68	\$466,657 64	\$480,582 10	\$532,079 71	\$528,278 31	\$556,681 55	\$526,580 75	\$556,681 55
January	274,639 75	\$375,619 94	\$350,257 77	\$351,874 29	\$435,902 80	\$463,846 06	\$454,461 23	\$390,739 02	\$454,461 23
February	256,538 27	\$305,244 13	\$347,040 49	\$371,799 21	\$421,309 29	\$338,179 52	\$439,250 37	\$419,119 45	\$439,250 37
March	248,017 76	\$270,911 48	\$336,418 32	\$331,973 06	\$444,082 78	\$364,510 78	\$399,382 92	\$361,841 41	\$399,382 92
April	225,467 82	\$297,949 84	\$287,949 84	\$302,678 41	\$411,625 08	\$325,194 01	\$355,762 02	\$329,438 44	\$355,762 02
May	241,164 77	\$290,927 39	\$285,374 21	\$303,382 43	\$368,901 42	\$295,704 99	\$363,996 30	\$320,013 55	\$363,996 30
June	242,902 73	\$262,292 02	\$276,044 84	\$292,042 73	\$341,394 52	\$280,067 02	\$312,413 55	\$312,413 55	\$312,413 55
Total	\$3,377,838 03	\$4,261,913 37	\$4,321,541 12	\$4,638,244 12	\$5,116,080 25	\$4,615,144 20	\$5,217,174 57	\$4,904,489 86	\$4,743,546 43

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OPERATING EXPENSES (INCLUDING BETTERMENTS) BY MONTHS

FOR NINE YEARS ENDED JUNE 30TH, 1897—ENTIRE SYSTEM.

[illegible]

NOTE.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Co. and the Receivers thereof. The expenditures for betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

III.

NET EARNINGS BY MONTHS

FOR NINE YEARS ENDED JUNE 30TH, 1897—ENTIRE SYSTEM.

Miles operated . . .	1,187.8	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0
MONTHS.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.
July	\$ 57,925 86	\$ 84,541 68	\$ 28,143 21	\$ 33,419 13	\$ 6,238 95	\$ 24,380 98	\$ 9,467 57	\$ 30,354 26	\$ 38,216 24
August	63,684 82	77,558 61	42,216 83	70,890 01	18,544 96	76,029 04	15,660 13	131,634 90	199,818 12
September	112,910 01	80,758 95	122,912 69	76,906 56	45,144 11	89,229 04	74,475 44	199,818 12	130,552 36
October	51,297 13	32,385 88	232,980 94	127,120 92	203,845 89	191,920 89	240,172 30	132,630 16	192,943 45
November	21,453 47	67,782 70	140,302 82	137,543 42	180,262 15	163,869 03	204,568 63	156,387 73	56,792 10
December	68,749 66	11,692 59	154,308 34	180,262 15	93,103 66	36,866 51	136,492 65	81,518 42	49,645 09
January	4,840 91	77,692 59	5,998 14	39,228 41	14,471 94	69,346 81	74,989 98	29,769 34	7,136 10
February	5,348 11	38,376 80	52,738 89	61,309 14	81,693 31	57,870 71	27,469 39	23,294 44	2,488 21
March	31,265 12	42,286 43	46,715 03	5,353 66	8,155 87	785 25	15,258 33	12,914 05	\$ 887,658 19
April	16,946 12	86,501 97	63,487 84	5,353 66	8,155 87	785 25	15,258 33	12,914 05	
May	1,481 40	82,531 70	83,880 81	6,107 06	5,467 54	8,801 77	16,451 75	9,530 51	
June	34,107 92	108,583 77	26,120 14	840 57	5,483 95	17,022 44	19,058 94	2,488 21	
Total	\$26,878 02	\$226,462 28	\$525,989 75	\$812,167 47	\$834,247 38	\$741,366 06	\$1,239,953 48	\$772,115 32	

NOTE.—Heavy-faced type denotes deficit.

IV.

BETTERMENTS (INCLUDED IN OPERATING EXPENSES) BY MONTHS

FOR NINE YEARS ENDED JUNE 30TH, 1897—ENTIRE SYSTEM.

July	\$ 28,054 58	\$ 6,410 97	\$105,977 24	\$ 14,233 32	\$ 5,821 59	\$ 12,449 74	\$ 2,470 35	\$ 17,897 02	\$ 11,955 38
August	106,594 56	15,537 73	130,217 73	5,425 20	12,187 11	9,270 84	6,797 15	24,094 24	10,237 98
September	50,793 44	20,820 73	135,989 30	12,785 29	14,273 52	22,056 61	26,575 33	27,166 58	15,688 59
October	42,856 25	44,060 98	121,822 84	13,085 61	31,011 67	7,247 99	7,503 94	22,118 50	16,682 48
November	45,979 39	69,881 33	162,516 34	15,554 09	8,387 78	7,864 46	15,060 30	17,700 21	7,177 48
December	39,591 21	99,898 73	142,165 81	3,430 31	15,938 69	7,566 91	16,313 48	31,396 12	2,002 40
January	6,377 85	101,542 44	72,846 23	34,794 14	9,622 78	6,176 30	10,463 97	20,308 37	7,832 57
February	15,677 51	88,966 41	66,220 34	16,425 21	23,706 43	8,548 35	10,350 83	10,968 22	13,280 07
March	3,810 03	60,914 65	41,018 92	3,819 47	23,706 43	8,197 14	11,362 50	7,483 58	4,873 11
April	5,554 76	95,208 57	35,498 09	4,282 55	20,335 85	11,219 94	15,610 74	11,428 39	4,947 98
May	29,728 83	83,754 29	22,206 17	4,282 55	10,412 92	6,536 75	20,191 98	6,986 82	10,660 46
June	6,202 74	99,160 68	52,683 82	5,431 62	13,106 28	6,413 78	54,585 67	13,451 87	8,131 68
Total	\$381,221 15	\$786,157 61	\$1,089,159 83	\$129,266 71	\$182,665 06	\$113,547 81	\$197,086 33	\$210,894 92	\$113,544 38

NOTE.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Co. and the Receivers thereof. The expenditures for betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

V.

SUMMARY OF FINANCIAL RESULTS FROM OPERATION

FOR NINE YEARS ENDED JUNE 30TH, 1897—ENTIRE SYSTEM.

Fiscal year ended June 30.	Miles operated.	Gross earnings.	Operating expenses. (including betterments.)		Net earnings.	All other receipts.	Total income.	Fixed and other charges against income.	Balance.	
			Amount.	Per cent. of gross earnings.					Surplus.	Deficit.
1889	1,187.8	\$3,377,838 03	\$3,404,516 05	100.79	\$ 26,678 02	\$ 875 00	\$ 25,803 02	\$1,010,330 55	—	\$1,036,133 57
1890	1,222.1	4,261,913 37	4,035,451 09	94.69	226,462 28	89,741 44	316,203 72	1,219,034 60	—	902,830 88
1891	1,222.1	4,321,541 12	4,847,540 87	112.17	525,989 75	67,222 35	458,777 40	1,094,096 20	—	1,552,873 60
1892	1,222.1	4,638,244 12	3,826,076 65	82.49	812,167 47	125,099 05	937,266 52	917,574 04	\$ 19,692 48	—
1893	1,223.0	5,116,080 25	4,281,832 87	83.69	834,247 38	69,135 93	903,383 31	949,767 32	—	46,384 01
1894	1,223.0	4,615,144 20	3,873,778 14	83.94	741,366 06	31,030 61	772,396 67	970,165 13	—	197,768 46
1895	1,223.0	5,217,174 57	3,977,221 09	76.23	1,239,953 48	24,319 19	1,264,272 67	958,083 19	306,189 48	—
1896	1,223.0	4,904,489 86	4,132,374 54	84.26	772,115 32	10,076 70	782,192 02	960,042 08	—	177,850 06
1897	1,223.0	4,743,546 43	3,855,888 24	81.29	887,658 19	3,584 17	891,242 36	954,430 62	—	63,188 26

NOTE.—The figures given in the foregoing table up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas R'y Cos. and the Receivers thereof. The expenditures for betterments during the Receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings. Heavy-faced type denotes deficit.

VI.

TRAFFIC STATISTICS.
FOR NINE YEARS ENDED JUNE 30TH, 1897—ENTIRE SYSTEM.
FREIGHT.

Fiscal year ended June 30.	Miles operated.	Number of tons carried.	* Freight revenue.	Number of tons carried one mile.	Freight train mileage, including 1/4 of mixed train mileage.	Average freight revenue per mile of road.	Average revenue per ton.	Average revenue per ton per mile.	Average distance hauled of one ton (miles).	Average revenue per freight train mile.
1889	1,187.8	898,125	\$2,662,170 13	203,004,973	1,729,767	\$2,241 26	\$2,9641	\$0.0131	226.03	\$1.5390
1890	1,222.1	1,154,300	3,394,834 67	258,556,739	1,844,758	2,777 87	2,9410	0.0131	223.99	1.9403
1891	1,222.1	1,252,978	3,288,607 35	251,647,375	1,911,334	2,690 95	2,6246	0.0131	200.84	1.7206
1892	1,222.1	1,302,580	3,553,748 88	270,433,058	1,839,486	2,907 90	2,7282	0.0131	207.61	1.9319
1893	1,223.0	1,506,696	3,988,319 72	329,183,200	2,180,373	3,261 10	2,6471	0.0121	218.48	1.8292
1894	1,223.0	1,328,377	3,498,158 58	282,162,773	1,836,875	2,860 31	2,6334	0.0124	212.41	1.9044
1895	1,223.0	1,470,257	4,072,163 50	309,245,333	1,920,525	3,329 65	2,7697	0.0132	210.33	2.1203
1896	1,223.0	1,487,078	3,685,638 68	312,998,714	1,967,410	3,013 60	2,4784	0.0118	210.48	1.8733
1897	1,223.0	1,524,709	3,668,481 77	325,472,192	2,017,779	2,999 58	2,4060	0.0113	213.47	1.8181

* Actual earnings derived from hauling freight, not including any portion of miscellaneous earnings.

VII.

PASSENGER.

Fiscal year ended June 30.	Miles operated.	Number of passengers carried.	* Passenger revenue.	Number of passengers carried one mile.	Passenger train mileage, including 1/4 of mixed train mileage.	Average passenger revenue per mile of road.	Average revenue per passenger.	Average revenue per passenger per mile.	Average distance one passenger carried (miles).	Average revenue per passenger train mile.
1889	1,187.8	560,728	\$557,745 10	21,154,434	875,328	\$469 56	\$0.9947	\$0.0264	37.73	\$0.6372
1890	1,222.1	710,192	700,876 60	27,657,489	869,646	573 50	0.9869	0.0253	38.94	0.8059
1891	1,222.1	866,434	856,146 07	34,193,120	1,178,455	700 55	0.9881	0.0250	39.46	0.7265
1892	1,222.1	833,293	854,039 43	33,131,148	1,156,760	698 83	1,0249	0.0258	39.76	0.7393
1893	1,223.0	842,493	879,526 52	35,019,592	1,279,192	719 15	1,0440	0.0251	41.57	0.6976
1894	1,223.0	810,801	883,408 28	37,040,490	1,320,937	722 33	1,0896	0.0238	45.68	0.6698
1895	1,223.0	838,984	889,304 61	37,744,040	1,378,337	727 15	1,0800	0.0242	43.86	0.6482
1896	1,223.0	935,555	944,146 62	40,159,897	1,460,769	771 95	1,0920	0.0235	42.93	0.6453
1897	1,223.0	803,644	785,018 07	33,214,295	1,484,360	641 88	0.9768	0.0236	41.33	0.5374

* Actual earnings derived from hauling passengers, not including mail and express nor any portion of miscellaneous earnings.

VIII.
TRAIN AND CAR MILEAGE STATISTICS.
FOR NINE YEARS ENDED JUNE 30TH, 1897—ENTIRE SYSTEM.
FREIGHT.

Fiscal year ended June 30.	No. of miles run by all freight trains (including mixed trains).	Number of miles run by freight cars on this line.				No. of miles run by freight cars on total car mileage.	Average No. of cars in each freight train.		Average load.		Average No. of miles run per car per day.	
		Loaded.	Empty.	All.	Home.	Foreign.	Loaded.	Empty.	Per car loaded.	Per train.	On this line.	On fr'n lines.
1889	1,752,340	23,739,792	7,538,062	31,277,854	20,595,099	10,682,755	24.10	13.55	8.55	115.85	Home	Home
1890	1,963,060	31,947,023	9,744,178	41,691,201	25,466,417	16,224,784	23.37	16.27	8.09	131.71	Records incomplete.	
1891	1,965,585	31,999,673	11,625,117	43,624,790	23,592,858	20,031,932	26.65	16.28	7.86	128.03		
1892	1,892,895	26,875,298	9,553,015	36,428,313	18,329,984	18,098,329	26.22	14.20	10.06	142.87	22	18
1893	2,217,705	31,995,299	9,469,410	41,464,709	19,218,982	22,245,727	22.84	14.43	10.29	148.43	24	16
1894	1,858,914	26,611,677	8,446,101	35,057,778	12,920,594	9,602,422	24.09	14.32	10.29	151.79	24	20
1895	1,940,257	28,913,339	10,071,485	38,984,824	20,221,920	18,762,904	25.83	14.30	10.70	159.38	24	18
1896	1,987,431	28,720,774	10,461,446	39,182,220	18,982,235	20,199,985	26.70	14.46	10.90	157.49	24	19
1897	2,036,992	29,029,185	11,374,066	40,403,251	19,277,984	21,125,267	28.15	14.25	11.21	159.73	24	20

IX.
PASSENGER.

Fiscal year ended June 30.	No. of miles run by passenger trains (not including mixed trains).	Number of miles run by passenger cars on this line.		Average No. of cars moved in each passenger train.	Average No. of miles run per car per day.	
		Home.	Foreign.		Home.	Foreign.
1889	852,755	3,626,335	445,015	4,071,350	4.32	Records incomplete.
1890	751,344	3,894,574	519,658	4,413,332	3.60	
1891	1,124,201	4,395,208	743,608	5,136,816	3.83	
1892	1,103,351	4,454,368	779,857	5,234,225	3.97	148
1893	1,241,859	4,629,209	913,229	5,542,438	3.98	174
1894	1,298,870	4,715,771	902,479	5,616,250	4.05	177
1895	1,358,605	4,555,758	897,278	5,613,036	3.79	160
1896	1,440,748	4,840,535	1,228,375	6,068,910	3.99	157
1897	1,465,147	4,964,136	1,216,181	6,180,317	4.01	156

Income and Financial Exhibits.

X.

INCOME ACCOUNT.

ST. LOUIS SOUTHWESTERN RY. CO. YEAR ENDED JUNE 30TH, 1897.

TO EXPENSES—				BY EARNINGS—	
Conducting transportation	\$320,717 49			Freight	\$2,383,860 00
Motive power	489,184 28			Passenger	417,389 04
Maintenance of cars	187,561 55			Mail	86,508 22
Maintenance of way	601,982 23			Express	44,949 60
General expenses	88,788 44			Telegraph	3,188 92
<i>Net earnings</i>	—			Miscellaneous	31,753 64
					\$2,967,649 42
					\$2,967,649 42
To Accrued interest on bonds				By Net earnings brought down	\$ 779,415 43
Taxes accrued	—			Interest on bonds owned—	—
Interest and exchange	—			St. L. S. W. Ry. Co. of Texas,	
All other payments	—			First mortgage, \$9,445,000.00 @ 4%	\$ 377,800 00
Total debits	—			Tyler Southeastern Ry. Co.,	
				First mortgage . \$660,000.00 @ 4%	26,400 00
<i>Surplus income for fiscal year ended June 30th, 1897, carried to credit of profit and loss account</i>	—			Paragould Southeastern Ry. Co.,	
				First mortgage . . \$25,000.00 @ 6%	1,500 00
				Sundry amounts	—
				Total credits	—
					\$1,186,293 34
PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1897.					
To Proportion of discount on first mortgage certificates in Treasury sold	\$ 22,705 37			By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1896	\$2,028,947 50
Bad debts charged off—				Surplus income from operation for fiscal year ended June 30th, 1897, as per foregoing statement	303,778 82
Gulf & Ship Island Ry. balance of account—uncollectible	7,567 44				
Receiver, Newport News & Mississippi Valley Co.—uncollectible	201 86				
<i>Balance to credit of profit and loss account, June 30th, 1897</i>	2,302,251 65				
					\$2,332,726 32
					\$2,332,726 32

XI.
CONDENSED BALANCE SHEET.

ST. LOUIS SOUTHWESTERN RY. CO.

JUNE 30TH, 1897.

ASSETS.	Total.	+ Increase, - Decrease. This year.	LIABILITIES.	Total.	+ Increase, - Decrease. This year.
Cost of road and equipment	\$47,045,026 69	+ \$ 1,071 54	Capital stock—		
Construction accounts	21,530 95	—	Preferred	\$20,000,000 00	—
Real estate	27,327 95	—	Common	16,500,000 00	—
Investments in stocks and bonds—					
Capital stock St. L. S. W. Ry. Co. of Texas	\$2,500,000 00	—	Funded debt—		
Capital stock Tyler Southeastern Ry. Co.	250,000 00	—	† First mortgage bonds (4%)	\$20,000,000 00	—
First mortgage bond St. L. S. W. Ry. Co. of Texas	9,445,000 00	—	† Second mortgage income bonds (4%, if earned)	8,000,000 00	—
Second mortgage income bond St. L. S. W. Ry. Co. of Texas	4,722,500 00	—			
First mortgage bond Tyler Southeastern Ry. Co.	660,000 00	—	Equipment trust obligations	147,278 87	— \$ 26,565 03
Second mortgage income bond Tyler Southeastern Ry. Co.	330,000 00	—	Deferred liabilities—		
St. Louis Southwestern Ry. Co.: Capital stock—			Notes payable—due on stated dates after July 1st	\$277,500 00	+ 65,215 65
Preferred	\$106,350 00	—	Interest on bonds—accrued, not due until Nov. 1st, 1897	133,333 33	—
Common	143,900 00	—	Taxes accrued year 1897—not due until 1898	32,931 25	68 75
1st mtg. certificates	250,250 00	—	Hospital fund	4,360 66	+ 1,064 94
Paragould Southeastern Ry. Co.: Capital stock					
1st mtg. bonds	\$25,000 00	—	Current liabilities—		
First mortgage bonds Gulf and St. Louis Island Ry., par value \$15,000, purchased for	25,000 00	—	Audited vouchers unpaid	\$311,648 67	55,324 27
			Audited pay-rolls unpaid	124,838 27	2,588 53
			Interest on bonds—due and unpaid (unredeemed coupons):	32,600 00	5,960 00
			Notes payable—due on demand	469,086 94	75,600 00
			Miscellaneous accounts	84,720 00	+ 30,815 00
Current assets—					
Cash	\$ 73,875 12	— 1,500 00	Balance to credit of profit and loss account, June 30th, 1897, as per detailed exhibit on preceding page	2,302,251 65	+ 273,304 15
Advances to sundry agents to be accounted for	3,576 20	— 10,715 77			
Sundry accounts collectible	81,647 99	— 60,820 40			
Prepaid insurance	2,485 08	+ 1,048 78			
Supplies on hand	\$161,584 39	— 46,168 44			
	173,341 75	— 456,015 19			
St. Louis Southwestern Ry. Co. of Texas, general account	2,219,110 97	+ 8,119 94			
Tyler Southeastern Ry. Co., general account	120,790 00	+ 204,293 16			
	\$67,951,462 70			\$67,951,462 70	+ \$204,293 16

* Secured by first mortgage lien on St. L. S. W. Ry., \$9,895,000, first mortgage bond of St. L. S. W. Ry. Co. of Texas, \$9,445,000, and first mortgage bond of T. S. E. Ry. Co., \$660,000.

† Secured by second mortgage lien on St. L. S. W. Ry., \$2,947,500, second mortgage income bond of St. L. S. W. Ry. Co. of Texas, \$4,722,500, and second mortgage income bond of T. S. E. Ry. Co., \$330,000.

XII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS.

INCOME ACCOUNT.

YEAR ENDED JUNE 30TH, 1897.

TO EXPENSES—		BY EARNINGS—	
Conducting transportation	\$ 483,348 45	Freight	\$1,201,615 02
Motive power	401,233 08	Passenger	338,738 99
Maintenance of cars	117,646 60	Mail	54,397 98
Maintenance of way	475,365 63	Express	23,644 80
General expenses	65,661 14	Telegraph	2,863 66
<i>Net Earnings</i>	—	Miscellaneous	\$1,654,171 34
			\$1,654,171 34
To Accrued interest on bonds	—	By Net earnings, brought down	\$ 110,916 44
Taxes accrued	—	Sundry amounts	906 26
Interest and exchange	—	Total credits	\$ 111,822 70
All other payments	—	Deficit for fiscal year ended June 30th, 1897, carried to debit of profit and loss account	331,834 93
Total debits	—		\$ 443,657 63
PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1897.		By Balance to debit of profit and loss account, June 30th, 1897	
To Balance to debit of profit and loss account, July 1st, 1896—	\$1,508,640 93		\$ 1,868,218 01
Deficit from operation for fiscal year ended June 30th, 1897, as per foregoing statement	331,834 93		
Proportion of discount on first mortgage certificates, St. L. S. W. Ry. sold	21,668 30		
Compromise settlement of suit of Britton & Lyon, contractors, vs. St. L., A. & T. Ry. in Texas, for construction work done on Sherman and Ft. Worth branches in 1887-8	6,073 85		
	\$1,868,218 01		

XIII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. CONDENSED BALANCE SHEET. JUNE 30TH, 1897.

ASSETS.	Total.	+ Increase, - Decrease, This year.	LIABILITIES.	Total.	+ Increase, - Decrease, This year.
Cost of road and equipment	\$17,166,331 22	+ \$ 9,547 14	Capital stock— Common	\$2,500,000 00	—
Current assets—			Funded debt—		
Cash	\$ 82,842 91	+ 17,089 14	1st mortgage bonds (4%)	\$ 9,445,000 00	—
Sundry accounts collectible	30,340 52	+ 1,405 41	2nd mortgage income bonds (4%, if earned)	4,722,500 00	—
Prepaid insurance	2,046 72	+ 1,277 08			
Supplies on hand	\$ 115,230 15	+ 4,771 79	Equipment trust obligations	147,278 87	- \$ 37,969 83
	74,535 73		Deferred liabilities—		
Tyler Southeastern Ry. Co., general account .	189,765 88	+ 28,214 94	Notes payable—due on stated dates after July 1st	\$ 100,000 00	— 130 65
Balance to debit of profit and loss account, June 30th, 1897, as per detailed exhibit on preceding page	1,888,218 01	+ 359,577 08	Taxes accrued year 1897—not due until 1898	29,165 05	+ 294 95
			Current liabilities—		
			Audited vouchers unpaid	\$ 80,456 17	+ 10,089 43
			Audited pay-rolls unpaid	128,964 13	- 6,281 52
			Miscellaneous accounts	300 00	- 134 99
			St. Louis Southwestern Ry. Co., general account	2,219,110 97	+ 456,015 19
	\$19,372,775 19	+ \$421,882 58		\$19,372,775 19	+ \$421,882 58

XIV.

TYLER SOUTHEASTERN RY. CO.

INCOME ACCOUNT.

YEAR ENDED JUNE 30TH, 1897.

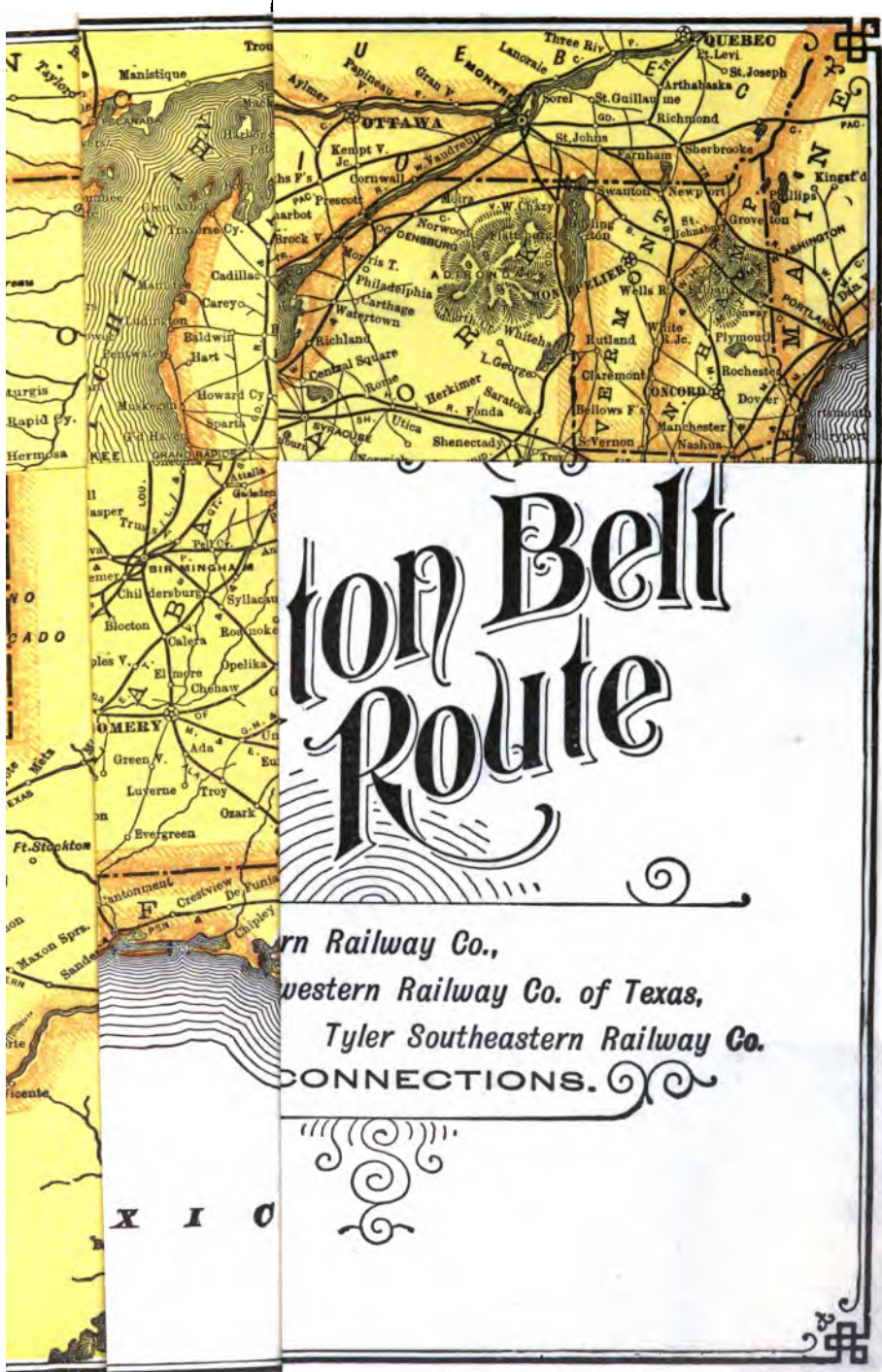
To EXPENSES—		BY EARNINGS—	
Conducting transportation	\$ 38,171 00	Freight	\$ 83,006 75
Motive power	34,644 79	Passenger	28,890 04
Maintenance of cars	7,508 53	Mail	3,323 64
Maintenance of way	40,124 36	Express	3,405 60
General expenses	3,950 67	Telegraph	449 87
		Miscellaneous	647 77
			\$ 121,725 67
		Deficit from operation	2,673 68
			\$ 124,399 35
To Deficit brought down			
Accrued interest on bonds	\$ 2,673 68		
Taxes accrued	26,400 00		
Interest and exchange	5,118 61		
All other payments	520 67		
	419 19		
Total debits	\$ 35,132 15		
		By Deficit for fiscal year ended June 30th, 1897, carried to debit of profit and loss account	35,132 15
			\$ 35,132 15
PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1897.			
To Balance to debit of profit and loss account July 1st, 1896	\$ 231,684 00	By Balance to debit of profit and loss account June 30th, 1897	\$ 268,330 45
Deficit from operation for fiscal year ended June 30th, 1897, as per foregoing statement	35,132 15		
Proportion of discount on first mortgage certificates St. Louis Southwestern Ry. sold	1,514 30		
	\$ 268,330 45		\$ 268,330 45

XV.
CONDENSED BALANCE SHEET.

JUNE 30TH, 1897.

TYLER SOUTHEASTERN RY. CO.

ASSETS.	Total.	+ Increase, - Decrease, This year.	LIABILITIES.	Total.	+ Increase, - Decrease, This year.
Cost of road and equipment	\$1,246,156 80	- \$ 14 64	Capital stock— Common	\$ 250,000 00	—
Current assets—			Funded debt—		
Prepaid insurance	118 83	+ 58 07	1st mortgage bonds (4%) . \$ 660,000 00		
			2nd mortgage income bonds (4%, if earned)	990,000 00	—
<i>Balance to debit of profit and loss account June 30th, 1897, as per detailed exhibit on preceding page</i>	288,330 45	+ 36,646 45	Miscellaneous accounts	5,356 00	+ \$ 355 00
			St. Louis Southwestern Ry. Co., general account	120,790 00	+ 8,119 94
			St. Louis Southwestern Ry. Co. of Texas, general account	148,460 08	+ 28,214 94
	\$1,514,606 08	+ \$ 36,689 88		\$1,514,606 08	+ \$36,689 88



ton Belt Route

ern Railway Co.,
Western Railway Co. of Texas,
Tyler Southeastern Railway Co.
CONNECTIONS.

X I O

1898.

SEVENTH ANNUAL REPORT.

"COTTON BELT ROUTE"

**ST. LOUIS SOUTHWESTERN
RAILWAY COMPANY,**

**INCLUDING THE
ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS
AND
TYLER SOUTHEASTERN RAILWAY CO.**

FISCAL YEAR ENDED

JUNE 30, 1898.

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN
RAILWAY COMPANY,

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

SEVENTH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

TO THE

STOCKHOLDERS,

FOR THE FISCAL YEAR ENDED

JUNE 30, 1898.

ST. LOUIS:

WOODWARD & TIERNAN PRINTING COMPANY, 309 to 325 North Third Street.
1898.

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DIRECTORS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

ELECTED OCTOBER, 1897.

S. W. FORDYCE	St. Louis, Mo.
EDWIN GOULD	Irvington, N. Y.
M. GERNSHEIM	New York, N. Y.
R. M. GALLOWAY	New York, N. Y.
THOS. T. ECKERT	New York, N. Y.
WINSLOW S. PIERCE	New York, N. Y.
W. B. DODDRIDGE	St. Louis, Mo.
MURRAY CARLETON	St. Louis, Mo.
A. L. WOLFF	St. Louis, Mo.

Annual meeting of stockholders for election of directors is held in the city of St. Louis, Mo., on the first Tuesday in October.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

ELECTED MAY, 1898.

S. W. FORDYCE	St. Louis, Mo.
EDWIN GOULD	Irvington, N. Y.
WINSLOW S. PIERCE	New York, N. Y.
W. B. DODDRIDGE	St. Louis, Mo.
J. A. EDSON	Tyler, Tex.
WILLIAM CAMERON	Waco, Tex.
TOM RANDOLPH	Sherman, Tex.
JAMES GARITTY	Corsicana, Tex.
W. C. CONNOR	Dallas, Tex.

Annual meeting of stockholders for election of directors is held in the city of Tyler, Tex., on the Monday preceding the first Wednesday in May.

TYLER SOUTHEASTERN RAILWAY COMPANY.

ELECTED MAY, 1898.

H. H. ROWLAND	Tyler, Tex.
HOWARD GOULD	Tarrytown, N. Y.
GUY PHILLIPS	New York, N. Y.
W. S. MALLETT	New York, N. Y.
J. A. EDSON	Tyler, Tex.
J. P. DOUGLAS	Tyler, Tex.
T. F. MURCHISON	Athens, Tex.

Annual meeting of stockholders for election of directors is held in the city of Tyler, Tex., on the Monday preceding the first Wednesday in May.

GENERAL OFFICERS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

S. W. FORDYCE	<i>President</i>	ST. LOUIS, MO.
EDWIN GOULD	<i>Vice-President</i>	IRVINGTON, N. Y.
WINSLOW S. PIERCE	<i>General Counsel</i>	NEW YORK, N. Y.
S. H. WEST	<i>General Attorney</i>	ST. LOUIS, MO.
J. A. EDSON	<i>General Superintendent</i>	TYLER, TEX.
S. C. JOHNSON	<i>General Auditor</i>	ST. LOUIS, MO.
GEORGE ERBELDING	<i>Secretary</i>	NEW YORK, N. Y.
G. K. WARNER	<i>Ass't Secretary and Treasurer</i>	ST. LOUIS, MO.
A. S. DODGE	<i>General Traffic Manager</i>	ST. LOUIS, MO.
R. S. DAVIS	<i>General Freight Agent</i>	ST. LOUIS, MO.
E. W. LABEAUME	<i>General Passenger and Ticket Agt.</i>	ST. LOUIS, MO.
E. J. NICHOLS	<i>Resident Engineer</i>	TYLER, TEX.
J. S. BERRY	<i>Superintendent Water Service,</i> <i>Bridges and Buildings</i>	TYLER, TEX.
R. M. GALBRAITH	<i>General Master Mechanic</i>	PINE BLUFF, ARK.

TRANSFER OFFICE: No. 195 Broadway, New York, N. Y.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

S. W. FORDYCE	<i>President</i>	St. Louis, Mo.
EDWIN GOULD	<i>First Vice-President</i>	Irvington, N. Y.
J. A. EDSON	<i>Second Vice-Pres't and Gen'l Sup't</i>	Tyler, Tex.
R. D. COBB	<i>Secretary and Auditor</i>	Tyler, Tex.
GEORGE ERBELDING	<i>Assistant Secretary</i>	New York, N. Y.
J. W. HOGAN	<i>Treasurer</i>	Tyler, Tex.
G. W. BARNHART	<i>General Freight Agent</i>	Tyler, Tex.
S. G. WARNER	<i>General Passenger Agent</i>	Tyler, Tex.
E. J. NICHOLS	<i>Resident Engineer</i>	Tyler, Tex.
J. S. BERRY	<i>Superintendent Water Service,</i> <i>Bridges and Buildings</i>	Tyler, Tex.
J. M. SCROGIN	<i>Master Mechanic</i>	Tyler, Tex.

TYLER SOUTHEASTERN RAILWAY COMPANY.

H. H. ROWLAND	<i>President</i>	Tyler, Tex.
HOWARD GOULD	<i>Vice-President</i>	Tarrytown, N. Y.
J. A. EDSON	<i>General Superintendent</i>	Tyler, Tex.
R. D. COBB	<i>Auditor</i>	Tyler, Tex.
J. P. DOUGLAS	<i>Secretary</i>	Tyler, Tex.
GUY PHILLIPS	<i>Assistant Secretary</i>	New York, N. Y.
J. W. HOGAN	<i>Treasurer</i>	Tyler, Tex.
G. W. BARNHART	<i>General Freight Agent</i>	Tyler, Tex.
S. G. WARNER	<i>General Passenger Agent</i>	Tyler, Tex.
E. J. NICHOLS	<i>Resident Engineer</i>	Tyler, Tex.
J. S. BERRY	<i>Superintendent Water Service,</i> <i>Bridges and Buildings</i>	Tyler, Tex.
J. M. SCROGIN	<i>Master Mechanic</i>	Tyler, Tex.

"COTTON BELT ROUTE."

St. Louis Southwestern Railway Co.

OFFICE OF THE PRESIDENT.

ST. LOUIS, MO., Sept. 1st, 1898.

To the Stockholders of the St. Louis Southwestern Railway Company:

The Seventh Annual Report for the fiscal year ended June 30th, 1898, is herewith respectfully submitted.

The following statement shows gross earnings, receipts from all other sources, operating expenses, fixed and all other charges against income, for the fiscal year ended June 30th, 1898, compared with the preceding fiscal year:

FINANCIAL RESULTS FROM OPERATION.

ENTIRE SYSTEM.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Decrease.
Gross earnings	\$5,279,332 82	\$4,743,546 43	\$535,786 39	—
Operating expenses (including betterments)	4,173,327 62	3,855,888 24	317,439 38	—
Net earnings	\$1,106,005 20	\$ 887,658 19	\$218,347 01	—
All other receipts	8,907 14	3,584 17	5,322 97	—
Total income over operating expenses	\$1,114,912 34	\$ 891,242 36	\$223,669 98	—
Fixed and other payments charged against income:				
Accrued interest on first mortgage bonds (4 per cent.) . . .	\$ 800,000 00	\$ 800,000 00	—	—
Taxes accrued	131,006 51	121,485 44	\$ 9,521 07	—
Interest and exchange	11,881 05	17,268 31	—	\$ 5,387 26
All other payments	14,731 24	15,676 87	—	945 63
Total charges against income .	\$ 957,618 80	\$ 954,430 62	\$ 3,188 18	—
Surplus carried to credit of profit and loss account	\$ 157,293 54	—	\$220,481 80	—
Deficit carried to debit of profit and loss account	—	\$ 63,188 26	—	—

The following table contains a further comparison of the general operating results for the current fiscal year with those of the preceding fiscal year:

Gross earnings	increase	\$535,786	39	or	11.30%
Freight earnings	increase	470,450	24	or	12.82%
Passenger earnings	increase	69,103	38	or	8.80%
Mail, express, telegraph and miscellaneous earnings	decrease	3,767	23	or	1.30%
Operating expenses (including betterments)	increase	317,439	38	or	8.23%
Betterments	increase	19,265	50	or	16.97%
Extraordinary expenses	increase	22,072	38	or	54.62%
Operating expenses (exclusive of betterments and extraordinary expenses)	increase	276,101	50	or	7.46%
Total tonnage (tons)	increase	248,624		or	16.31%
Total number of tons carried one mile	increase	32,637,545		or	10.03%
Average revenue per ton per mile	increase	\$0.0003		or	2.65%
Total number of passengers carried	increase	24,894		or	3.10%
Total number of passengers carried one mile	increase	3,939,396		or	11.86%
Average revenue per passenger per mile	decrease	\$0.0006		or	2.54%
Total train mileage	increase	144,915		or	4.14%

The gross earnings for the fiscal year ended June 30th, 1898, were the largest in the history of the road, and it is worthy of note that the per cent. of increases in operating expenses and total train mileage were considerably less than the per cent. of increases in gross earnings, total tonnage transported and total number of passengers carried, which demonstrates economical operation as well as the fact that the earning capacity of your property is constantly increasing.

During the current fiscal year traffic was somewhat retarded by the unfavorable conditions incident to the prevalence of yellow fever in the South in the fall of 1897, and by overflow of the Arkansas and other rivers in the spring of 1898. However, the revival of business and the good crops of 1897 more than offset these unfavorable conditions, and enabled your property to make the good showing exhibited by the foregoing figures.

The surplus earnings for the current fiscal year, together with other resources, have been applied principally in liquidating maturing equipment trust obligations, and in the purchase of additional equipment found to be absolutely necessary in order to handle the traffic which has been constantly increasing. Reference is here made to the summary of financial operations on page 30, showing in detail all resources, and how the same were applied during the current fiscal year.

Rates have been reasonably well maintained, and the small increase in the rate per ton per mile, over the preceding year, will be noted.

The work of betterments and improvements has been continued as far as the financial condition of your company would permit. While the Extraordinary Expense account shows an increase, the absolute necessity of this is made plain in the remarks under that head.

Your company has made heavy expenditures during the year in order to comply as rapidly as possible with the Federal law relating to safety appliances upon equipment. Three hundred standard box cars, 60,000-pounds capacity, with all modern appliances, have been acquired under a car trust extended over a period of five years, with a cash payment of 20 per cent. In order to successfully compete for the live stock business, five hundred new improved stock cars have been leased on terms considered favorable to your company.

The Gray's Point Terminal Road was practically completed during the fiscal year ended June 30th, 1898, excepting the river incline which, on account of continued high water, has been delayed. This property will not be received from the contractors until the incline is finished, which is now expected to be done about the 15th of October.

The extension of the Paragould Southeastern Railway to Hornersville, in Southeast Missouri, was completed in October, 1897, and the expected increased earnings of that property and

the additional traffic furnished to your company, have been more than realized.

The Louisiana & Northwest Railroad Company has about completed its extension from Homer, La., to Magnolia, Ark. This will open up a new and undeveloped territory which, it is believed, will very materially add to the business of your company.

A contract with the Gulf, Colorado & Santa Fe Railway has been made, effective August 1st, 1898, giving to your company the use of the former company's line of road from Wylie, Texas, to Dallas, Texas, together with the use of their terminals at Dallas. The contract expires in ten years, and may be cancelled upon six months' notice. Terms are forty cents per train mile for both freight and passenger trains, for use of the main line; for passenger and freight terminals a 5 per cent. interest charge is made upon agreed valuations and divided between the two companies upon a car and tonnage basis respectively. The cost of maintenance and operation, including taxes, ordinary repairs, insurance, salaries of joint employes, fuel, light, etc., is also apportioned upon the same basis. This, it is believed, is much more advantageous to your company than an independent road and facilities at Dallas.

A like agreement has been entered into between your company and the Gulf, Colorado & Santa Fe Railway, which permits the latter company to use your company's lines and terminal facilities between Wolfe City, Texas, and Sherman, Texas.

It will be noted that several new industries have been located on the line. There are now 263 flowing oil wells at Corsicana, Texas, the output of which, at present, is 2,600 barrels per day. Pipe lines, storage tanks and refineries are being constructed. The extent of the oil field is constantly increasing, and it is believed that a very lucrative business will be added to the revenues of your property from this new industry.

The prospects for crops of grain, cotton, etc., in the country tributary to these lines, are fully as good, if not better, than they were for last year. The general condition of business in the country traversed by your lines is quite satisfactory.

During the current fiscal year no changes have been made in the length of main track operated. There have been put in 7.7 miles of new side and spur tracks, and 5.4 miles of old side tracks have been taken up, making a net increase of 2.3 miles in the side track mileage during the fiscal year ended June 30th, 1898.

Attention is invited to the table on the following page, headed "Miles Operated," showing the miles of track owned and controlled by your company.

MILES OPERATED.

The length of main track operated, on which all computations pertaining to earnings, expenses and traffic statistics are based, and of side tracks, is shown in the following table:

MILES OF TRACK OWNED AND CONTROLLED—ENTIRE SYSTEM.

	Main track.	Side track.	Total.
ST. LOUIS SOUTHWESTERN RY. CO.—			
Main line	418.0	104.1	522.1
New Madrid branch	5.7	.3	6.0
Delta branch	51.4	8.3	59.7
Little Rock branch	41.7	5.4	47.1
Magnolia branch	6.4	.4	6.8
Shreveport branch	59.5	8.9	68.4
Total	582.7	127.4	710.1
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—			
Main line	304.6	52.0	356.6
Sherman branch	109.9	14.7	124.6
Ft. Worth branch	97.2	14.3	111.5
Hillsboro branch	40.0	4.3	44.3
Total	551.7	85.3	637.0
TYLER SOUTHEASTERN RY. CO.—			
Main line	88.6	7.5	96.1
ENTIRE SYSTEM—			
Total miles of track June 30, 1898 . .	1,223.0	220.2	1,443.2
Total miles of track June 30, 1897 . .	1,223.0	217.9	1,440.9
Increase	—	2.3	2.3

The contents of the several chapters headed respectively "Financial Exhibits," "Traffic," "Conducting Transportation," "Maintenance of Way," "Motive Power and Car Department," etc., which follow, exhibit a detailed analysis of the results from operation and of the maintenance and improvement of your property, and a careful perusal thereof is invited.

FINANCIAL EXHIBITS.

Immediately following will be found:

1. Statement of income account, for the fiscal year ended June 30th, 1898.
2. Statement of profit and loss account, to June 30th, 1898.
3. Condensed balance sheet, June 30th, 1898.

A complete analysis of the foregoing, in the form of comparative exhibits, will also be found, showing the changes that have taken place in the various accounts composing the income account and condensed balance sheet since the close of the preceding fiscal year, also your company's financial condition at the close of the fiscal year ended June 30th, 1898, and finally a summary of financial transactions showing the year's resources and the manner in which they were appropriated, in the following order, to-wit:

Earnings, expenses and taxes	Exhibit A.
Classified statement of earnings and expenses	" A.
Betterments and extraordinary expenses	" A.
Accrued interest on bonds	" B.
Taxes accrued	" C.
Interest and exchange	" D.
All other payments charged against income account	" E.
Interest on bonds owned	" F.
All other receipts credited income account	" G.
Cost of road and equipment	" H.
Construction accounts	" I.
Real estate	" J.
Investments in stocks and bonds	" K.
Miscellaneous accounts	" L.
Capital stock	" M.
Funded debt	" N.
Equipment trust obligations	" O.
Floating debt	" P.
Miscellaneous accounts	" Q.
Summary of financial transactions	" R.

INCOME ACCOUNT—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1898.

To EXPENSES (see ex. A, page 16)—					
Conducting transportation	\$1,534,746 94				\$4,138,932 01
Motive power	998,996 10				854,121 45
Maintenance of cars	353,827 85				146,540 82
Maintenance of way	1,114,694 75				72,000 00
General expenses	171,061 98				6,505 14
<i>Net earnings</i>	—	\$4,173,327 62			\$5,279,332 82
		1,106,005 20			\$5,279,332 82
		\$5,279,332 82			
To Accrued interest on bonds (see ex. B, p. 21)	\$ 800,000 00				
Taxes accrued	131,006 51				
Interest and exchange	11,881 05				
All other payments	14,731 24				
<i>Surplus income for fiscal year ended June 30th, 1898, carried to credit of profit and loss account</i>	—	\$ 957,618 80			\$1,106,005 20
		157,233 54			8,907 14
		\$1,114,912 34			
Total	—			Total	\$1,114,912 34

PROFIT AND LOSS ACCOUNT—ENTIRE SYSTEM—JUNE 30TH, 1898.

To Amount paid in compromise settlement of suits, judgments, etc., against Receivers St. L. A. & T. Ry., and St. L. A. & T. Ry. in Texas	\$ 12,320 08			By Balance to credit of profit and loss account at the beginning of current fiscal year, July 1st, 1897	\$ 165,703 19
<i>Balance to credit of profit and loss account, June 30th, 1898</i>	310,678 65			Surplus income from operation for fiscal year ended June 30th, 1898, brought down	157,293 54
Total	\$ 322,996 73			Total	\$ 322,996 73

NOTE.—See appendix for income account and profit and loss account of each company separately.

CONDENSED BALANCE SHEET—ENTIRE SYSTEM.

JUNE 30TH, 1898.

ASSETS.	Total.	+ Increase, - Decrease, This year.	LIABILITIES.	Total.	+ Increase, - Decrease, This year.
Cost of road and equipment (see exh. H, page 23)	\$65,616,343 19	+ \$158,828 48	Capital stock (see exh. M, page 26)—		
Construction accounts (see exh. I, page 24)	21,530 95	—	Preferred	\$20,000,000 00	—
Real estate (see exh. J, page 24)	27,327 95	—	Common	16,500,000 00	\$36,500,000 00
Investments (see exh. K, page 24)—			Funded debt (see exh. N, page 26)—		
Stocks and bonds owned	302,187 50	+ 26,937 50	1st mortgage bonds (4%)	\$20,000,000 00	—
Current assets (see exh. P, page 28)—			2d mortgage income bonds (4%, if earned)	8,000,000 00	28,000,000 00
Cash	\$178,016 47	+ 21,298 44	Equipment trust obligations (see exh. O, page 27)	335,741 20	+ \$41,183 46
Sundry accounts collectible	248,575 26	+ 136,586 75	Deferred liabilities (see exh. P, page 28)—		
Advances to sundry agents (to be accounted for)	5,954 28	+ 2,378 08	Notes payable—due on stated dates after July 1st,	\$337,639 47	—
Prepaid insurance	4,721 29	+ 70 66	Interest on bonds—accrued, not due until Nov. 1st, 1898	133,333 33	—
Supplies on hand	\$437,267 30	—	Taxes accrued year 1898—not due until 1899	64,381 07	+ 2,284 77
	291,312 48	+ 43,435 00	Hospital fund	1,345 24	+ 3,015 42
Miscellaneous accounts, see exh. L, page 26	728,579 78	+ 43,435 00	Current liabilities (see exh. P, page 28)—	536,699 11	—
			Audited vouchers unpaid	\$557,718 35	+ 165,613 51
	17,672 04	+ 17,672 04	Audited pay-rolls unpaid	279,007 50	+ 25,205 10
			Interest on bonds—due and unpaid (unpresented coupons)	34,180 00	+ 1,580 00
			Notes payable—due on demand	49,000 00	+ 49,000 00
			Miscellaneous accounts (see exh. Q, page 29)	919,905 85	+ 20,242 60
			Balance to credit of profit and loss account, June 30th, 1898, as per detailed exhibit on preceding page	110,618 60	—
Total	\$66,713,641 41	+ \$407,206 95	Total	\$66,713,641 41	+ \$407,206 95

NOTE.—See appendix for condensed balance sheet of each company separately.

EXHIBIT A.

COMPARATIVE STATEMENT OF EARNINGS, EXPENSES,
NET EARNINGS AND TAXES.

ENTIRE SYSTEM.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Per cent.	Decrease.	Per cent.
EARNINGS—						
Freight	\$4,138,932 01	\$3,668,481 77	\$470,450 24	12.82	—	—
Passenger—local . .	546,740 01	522,751 28	23,988 73	4.59	—	—
Passenger—foreign .	307,381 44	262,266 79	45,114 65	17.20	—	—
Mail	146,540 82	146,231 84	308 98	.21	—	—
Express	72,000 00	72,000 00	—	—	—	—
Telegraph	6,509 14	6,502 45	6 69	.10	—	—
Miscellaneous	61,229 40	65,312 30	—	—	\$4,082 90	6.25
Total	\$5,279,332 82	\$4,743,546 43	\$535,786 39	11.30	—	—
Earnings per mile of road	\$ 4,316 71	\$ 3,878 62	\$ 438 09	11.30	—	—
EXPENSES (including betterments)—						
Conducting transpor- tation	\$1,534,746 94	\$1,342,236 94	\$192,510 00	14.34	—	—
Motive power	998,996 10	925,062 15	73,933 95	7.99	—	—
Maintenance of cars .	353,827 85	312,716 68	41,111 17	13.15	—	—
Maintenance of way .	1,114,694 75	1,117,472 22	—	—	\$2,777 47	.25
General expenses. . .	171,061 98	158,400 25	12,661 73	7.99	—	—
Total	\$4,173,327 62	\$3,855,888 24	\$317,439 38	8.23	—	—
Expenses per mile of road	\$ 3,412 37	\$ 3,152 81	\$ 259 56	8.23	—	—
Percentage of ex- penses to earnings. .	79.05	81.29	—	—	2.24	2.76
NET EARNINGS	\$1,106,005 20	\$ 887,658 19	\$218,347 01	24.60	—	—
Per mile of road . . .	\$ 904 34	\$ 725 81	\$ 178 53	24.60	—	—
Percentage of total earnings	20.95	18.71	2 24	11.97	—	—
EXPENSES AND TAXES—						
Expenses	\$4,173,327 62	\$3,855,888 24	\$317,439 38	8.23	—	—
Taxes accrued	131,006 51	121,485 44	9,521 07	7.84	—	—
Total	\$4,304,334 13	\$3,977,373 68	\$326,960 45	8.22	—	—
Per mile of road . . .	\$ 3,519 49	\$ 3,252 15	\$ 267 34	8.22	—	—
Percentage of total earnings	81.53	83.85	—	—	2.32	2.77
SURPLUS after paying taxes	\$ 974,998 69	\$ 766,172 75	\$208,825 94	27.26	—	—
Per mile of road . . .	\$ 797 22	\$ 626 47	\$ 170 75	27.26	—	—

CLASSIFIED STATEMENT OF EARNINGS AND EXPENSES,
SHOWING PER CENT OF EACH CLASS TO TOTAL.

ENTIRE SYSTEM.	Year ended June 30, 1898.		Year ended June 30, 1897.	
	Amount.	Per cent.	Amount.	Per cent.
EARNINGS—				
Freight	\$ 4,138,932 01	78.40	\$ 3,668,481 77	77.34
Passenger—local	546,740 01	10.36	522,751 28	11.02
Passenger—foreign	307,381 44	5.82	262,266 79	5.53
Mail	146,540 82	2.78	146,231 84	3.08
Express	72,000 00	1.36	72,000 00	1.52
Telegraph	6,509 14	.12	6,502 45	.14
Miscellaneous	61,229 40	1.16	65,312 30	1.37
Total	\$ 5,279,332 82	100.00	\$ 4,743,546 43	100.00
EXPENSES (including better-				
ments)—				
Conducting transportation	\$ 1,534,746 94	36.77	\$ 1,342,236 94	34.81
Motive power	998,996 10	23.94	925,062 15	23.99
Maintenance of cars	353,827 85	8.48	312,716 68	8.11
Maintenance of way	1,114,694 75	26.71	1,117,472 22	28.98
General expenses	171,061 98	4.10	158,400 25	4.11
Total	\$ 4,173,327 62	100.00	\$ 3,855,888 24	100.00

BETTERMENTS AND EXTRAORDINARY EXPENSES,
INCLUDED IN THE FOREGOING STATEMENT OF OPERATING EXPENSES.

ENTIRE SYSTEM.	BETTERMENTS.		EXTRAORDINARY EXPENSES.	
	Year ended June 30, 1898.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1897.
Conducting transportation	\$ 11,484 80	\$ 1,957 07	\$ 19,360 07	\$ 4,890 71
Motive power	27,320 91	13,961 37	66 21	923 05
Maintenance of cars	24,627 33	12,791 56	—	448 77
Maintenance of way	69,376 84	84,834 38	43,059 03	34,150 40
Total	\$ 132,809 88	\$ 113,544 38	\$ 62,485 31	\$ 40,412 93
Increase this year	\$ 19,265 50	—	\$ 22,072 38	—
Per cent. of increase.	16.97	—	54.62	—

Immediately following will be found a statement showing in detail the several items comprising the expenditure for

betterments included in the preceding table during the year ended June 30th, 1898:

New station houses, platforms, etc.—

New brick motive power and yard building at Shreveport, La.	\$1,518 00	
Addition to freight depot at Texarkana, Texas	1,287 21	
One-half cost of new joint union passenger depot with H. & T. C. R. R. Co., at Corsicana, Texas	7,502 52	\$10,307 73

Additional stock pens—

Canfield, Ark.	\$ 67 38	
Texarkana, Texas	1,727 20	
Rusk, Texas	139 36	1,933 94

Improvements at Pine Bluff shops—

Putting in cinder pans	\$ 415 58	
New steam hammer, blower, etc.	4,240 50	
Bundy time recorder	200 00	
Air compressors	976 42	
New water station (unfinished)	1,937 06	7,769 56

New coal storage bins at Texarkana, Texas 834 98

Improvements to Tyler shops and yard (commenced in May, 1896—unfinished)—

Advertising for bids for roundhouse	\$ 68 84	
New roundhouse (unfinished)		
New office building and storeroom (unfinished)	10,371 60	
New turntable (unfinished)	2,038 45	
New sand house (unfinished)	200 88	
New car shed (unfinished)	3,470 88	
New water system (unfinished)	3,480 06	
Extra sewerage	101 42	
Bundy time recorder	190 53	
New fence around motive power yard	367 94	
Putting in drain boxes	107 71	
Loading cinders to ballast track	208 63	
Grading	6,404 63	
Surfacing tracks	56 54	
Changing tracks	551 47	
Engineering expenses	25 00	27,644 58

Amount carried forward \$48,490 79

<i>Amount brought forward</i>		\$48,490 79	
Second pond to increase water supply at Commerce, Texas		1,602 98	
Air brakes and automatic couplers for freight cars		19,766 58	
Pintsch gas equipment for passenger cars . .		1,294 61	
<i>Expenses incident to change of gauge T. S. E. R'y —(commenced in June, 1895)—</i>			
Spreading rails of side tracks		12 09	
<i>Ballasting—</i>			
Main line, Arkansas, miles 74 and 75 (unfinished)	\$ 235 25		
Main line, Arkansas, mile 179 (completed) .	696 50		
Main line, Arkansas, miles 188 to 193 (unfinished)	2,566 45		
Sherman branch, mile D 499 (completed) . .	763 49		
Sherman branch, mile D 503 (completed) . .	379 15		
Sherman branch, mile D 509 (completed) . .	407 05		
T. S. E. R'y Co., miles E 615 to E 617 (completed)	1,707 87	6,755 76	
<i>Raising track subject to overflow—</i>			
Main line, Missouri, miles 22 to 29 (St. John's bayou)	\$5,825 89		
Main line, Arkansas, miles 280 to 284 (Big Creek bottom)	2,798 44		
Main line, Arkansas, miles 335 and 336 (Ouachita river bottom)	706 65		
Main line, Arkansas, miles 358 and 359 (Smackover bottom)	1,071 94		
Main line, Texas, miles 609 and 610	200 00	10,602 92	
Raising track to take out sag, etc., main line, Texas, mile 582		674 18	
Raising track to take out sag, etc., main line, Texas, mile 646, near Hubbard City tank		1,873 57	
Widening embankments to standard width, etc., main line, Texas, miles 669 and 670 (Tehuacana hill)		710 84	
<i>Changing alignment—</i>			
Main line, Arkansas, miles 273 to 275 (Corkscrew hill)	\$1,542 50		
Main line, Arkansas, miles 299 to 301 (Kingsland hill)	7,173 67	8,716 17	
<i>Amount carried forward</i>		\$100,500 49	

<i>Amount brought forward</i>		\$100,500 49
New standard fence		15,570 60
New standard tile culverts		57 71
<i>New saw mill spurs, private and side tracks—</i>		
Grading	\$2,167 79	
Ballasting	115 61	
Crossings	7 00	
Ties	2,851 30	
Frogs	522 50	
Steel rails	5,318 56	
Spikes	551 70	
Splices, etc.	603 51	
Switch fixtures	642 01	
Labor putting in	3,901 10	16,681 08
Total		<u>\$132,809 88</u>

The several items composing the expenditure for extraordinary expenses during the year ended June 30th, 1898, are as follows:

Judgment and costs in suit of Burrell Wheeler for personal injuries caused by explosion of T. S. E. engine, February 8th, 1893	\$17,955 11
Detour service account wreck	27 46
Repairing trestles damaged by wrecks	52 21
Repairing trestles damaged by fire	123 70
Watching trestles account dry weather	502 62
Watching and going over track after storms	3 25
Cost of protection work on north bank of Arkansas river near Rob Roy, Ark., where main line crosses the river, to prevent damage by bank caving in	21,458 59
Expenses incurred in protecting property and repairing damages caused by high water and washouts principally on Little Rock branch and main line, Arkansas, miles 246 to 256, caused by overflow of Arkansas river, and near Bird's Point, Missouri, due to overflow of Mississippi river	22,362 37
Total	<u>\$62,485 31</u>

EXHIBIT B.

ACCRUED INTEREST ON BONDS—ENTIRE SYSTEM.

The semi-annual interest on first mortgage four per cent. bonds was paid as it became due, as follows:

Coupon No. 14, due November 1st, 1897	\$400,000 00
Coupon No. 15, due May 1st, 1898	400,000 00
Total	\$800,000 00

EXHIBIT C.

TAXES ACCRUED, FISCAL YEAR—ENTIRE SYSTEM.

Taxes accrued, fiscal year ended June 30th, 1898	\$131,006 51
Taxes accrued, fiscal year ended June 30th, 1897	121,485 44
Increase	\$ 9,521 07

The practice of purchasing State and County warrants to be used in the payment of taxes has been continued, and during the fiscal year ended June 30th, 1898, the profits on warrants amounted to \$4,008.41, which served to reduce the amount paid for taxes to that extent.

The following comparative statement shows the amount of taxes for the calendar year assessed by and paid to each State in which the line is located:

TAXES PAID, CALENDAR YEAR—ENTIRE SYSTEM.

STATE.	Year 1897.	Year 1896.	Increase.	Decrease.
Missouri	\$ 13,467 31	\$ 14,102 92	—	\$ 635 61
Arkansas	54,480 44	51,480 04	\$3,000 40	—
Louisiana	6,833 96	4,971 10	1,862 86	—
Texas	57,983 21	55,311 61	2,671 60	—
Total taxes paid—calendar year .	\$132,764 92	\$125,865 67	\$6,899 25	—

EXHIBIT D.

INTEREST AND EXCHANGE—ENTIRE SYSTEM.

Total for year ended June 30th, 1898	\$11,881 05
Total for year ended June 30th, 1897	17,268 31
Decrease	\$ 5,387 26

This account covers the net amount expended for interest on floating debt.

EXHIBIT E.

ALL OTHER PAYMENTS CHARGED AGAINST INCOME ACCOUNT—
ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Decrease.
Equipment Trust Expenses— St. Louis Southwes'n Car Trust, Series A	\$12,494 91	\$13,783 44	—	\$1,288 53
St. Charles Car Co. Car Trust, Series X 1	2,009 54	—	\$2,009 54	—
Adjustment of sundry accounts	226 79	1,893 43	—	1,666 64
Total	\$14,731 24	\$15,676 87	—	\$945 63

EXHIBIT F.

INTEREST ON BONDS OWNED—ENTIRE SYSTEM.

Interest on \$56,000.00 first mortgage bonds of the Paragould Southeastern Ry. Co., at 6%, year ended June 30th, 1898, \$2,740 00	
Interest on \$25,000.00 first mortgage bonds of the Paragould Southeastern Ry. Co., at 6%, year ended June 30th, 1897, 1,500 00	
Increase	\$1,240 00

The increase in the amounts credited to this account, represents the interest on \$31,000.00 of first mortgage bonds of the Paragould Southeastern Ry. Co., at six per cent. per annum, from November 1st, 1897, to June 30th, 1898. These bonds were acquired in October, 1897, and are a portion of the first mortgage bonds issued when the extension of the Paragould Southeastern Railway was completed. (See exhibit K, page 24.)

EXHIBIT G.

ALL OTHER RECEIPTS—CREDITED INCOME ACCOUNT.

ENTIRE SYSTEM.

Adjustment of sundry accounts, etc., fiscal year ended June 30th, 1898	\$6,167 14
Adjustment of sundry accounts, etc., fiscal year ended June 30th, 1897	2,084 17
Increase.	\$4,082 97

EXHIBIT H.

COST OF ROAD AND EQUIPMENT—ENTIRE SYSTEM.

CHANGES DURING YEAR ENDED JUNE 30TH, 1898.			
RIGHT OF WAY SETTLEMENTS		\$	712 97
ADDITIONAL LAND PURCHASED—			
For station and yard facilities at Mt. Pleasant, Athens and Corsicana, Tex. . .	\$1,410 50		
For additional right of way to obtain earth to raise track subject to overflow, etc. . .	145 15		
For reservoir for company water supply at Commerce, Texas	100 00		
For rock quarries and gravel pits near Bearden, Ark., Redwater, Brandon and Oglesby, Texas.	1,412 50		
For changing alignment at Kingsland hill, miles 299 to 301, and Corkscrew hill, miles 273 to 275, main line, Arkansas . .	441 00	3,509 15	
EQUIPMENT—			
<i>Cars purchased—</i>			
Three hundred box cars	\$160,147 35		
<i>Cars built—</i>			
Four tank cars	3,125 74	\$163,273 09	
<i>Less locomotives sold—</i>			
Proceeds of sale of one narrow gauge and two standard gauge (widened from narrow gauge) locomotives, in excess of cost of fitting up for sale	8,666 73		
Net addition account of equipment		154,606 36	
Total net additions for the year		\$158,828 48	
COST OF ROAD AND EQUIPMENT TO JUNE 30TH, 1898.			
Total cost to July 1st, 1897	\$65,457,514 71		
Total net additions for the fiscal year ended June 30th, 1898	158,828 48		
Total cost of road and equipment to June 30th, 1898	\$65,616,343 19		

EXHIBIT I.

CONSTRUCTION ACCOUNTS—ENTIRE SYSTEM.

Argenta Extension	\$20,722 81
Survey—Delta to Cape Girardeau	808 14
Total	\$21,530 95

No changes have been made in these accounts during the fiscal year ended June 30th, 1898.

EXHIBIT J.

REAL ESTATE—ENTIRE SYSTEM.

In Little Rock (not used for railroad purposes) \$27,327 95

During the fiscal year ended June 30th, 1898, no change has been made in this account.

EXHIBIT K.

INVESTMENTS IN STOCKS AND BONDS—ENTIRE SYSTEM.

CLASS OF SECURITY.	Interest received this year.	June 30, 1898.		June 30, 1897.	
		Face value.	Cost to Co.	Face value.	Cost to Co.
Capital stock, Paragould Southeastern Ry. Co. . .	—	\$ 56,000 00	—	\$ 25,000 00	—
First mortgage bonds, Paragould Southeastern Ry. Co.—6%	\$2,740 00	56,000 00	\$ 51,937 50	25,000 00	\$ 25,000 00
Capital stock, St. L. S. W. Ry. Co.—preferred . . .	—	106,350 00	106,350 00	106,350 00	106,350 00
Capital stock, St. L. S. W. Ry. Co.—common . . .	—	143,900 00	143,900 00	143,900 00	143,900 00
Total	\$2,740 00	\$ 362,250 00	\$302,187 50	\$300,250 00	\$275,250 00
Increase current fiscal year	\$1,240 00	\$ 62,000 00	\$ 26,937 50	—	—

The increases shown in the foregoing table are due to the acquisition in October, 1897, of \$31,000.00 of capital stock, and \$31,000.00 of first mortgage bonds (on which interest at 6 per cent. per annum commenced November 1st, 1897) of the Paragould Southeastern Ry. Co., the cost to the company being \$26,937.50.

STOCKS AND BONDS—PARAGOULD SOUTHEASTERN RAILWAY
COMPANY.

On October 25th, 1897, the extension of the Paragould Southeastern Ry. Co. from Cardwell, Mo., to Hornersville, Mo., was opened for business, making an increase of 9.99 miles in the operated mileage of the line. The total length of the main line is now 22.04 miles, and of sidings, 2.68 miles. The construction of this extension was paid for in \$50,000.00 of first mortgage bonds, and \$50,000.00 of capital stock, of which your company received \$31,000.00 of first mortgage bonds, and \$31,000.00 of capital stock in consideration of cash, equipment, steel rails, and other material furnished. The total capital stock of the Paragould Southeastern Ry. Co., is now \$100,000.00, of which your company owns \$56,000.00, and the total amount of first mortgage bonds issued is \$100,000.00, of which your company owns \$56,000.00, a controlling interest. All interest on first mortgage bonds of the Paragould Southeastern Ry. Co. has been paid promptly as it fell due.

The following figures from the annual report of Mr. W. C. Hasty, of Paragould, Ark., President of that company, giving the financial results from operation for the year ended June 30th, 1898, show that the extension of the line has greatly improved its earning power: Gross earnings, \$34,950.19, increase over preceding year, \$17,123.14; operating expenses, \$19,277.32, increase over preceding year, \$8,791.19; net earnings, \$15,672.87, increase over preceding year, \$8,331.95; accrued interest on bonds, accrued taxes, and all other payments charged against net earnings, \$5,611.23, increase over preceding year, \$2,388.04; surplus income, \$10,061.64, increase over preceding year, \$5,943.91.

The surplus was expended for land for additional facilities at Paragould, telegraph line from Paragould to Hornersville, additional equipment, etc.

EXHIBIT L.

MISCELLANEOUS ACCOUNTS—ENTIRE SYSTEM.

JUNE 30TH, 1898.

Unaccrued interest on equipment trust notes (St. Charles Car Co., Series "X 1") \$17,672 04

The amount charged to this account represents unaccrued interest on equipment trust notes (St. Charles Car Co., series "X 1"), which is included in the face of the notes. As the notes are paid the interest included therein will be credited to this account and charged to Equipment Trust Expenses.

EXHIBIT M.

CAPITAL STOCK—ENTIRE SYSTEM.

JUNE 30th, 1898.

DESCRIPTION.	Number of shares authorized.	Par value of shares.	Total par value authorized.	Total amount issued and outstanding.
Preferred	200,000	\$100 00	\$20,000,000 00	\$20,000,000 00
Common	165,000	100 00	16,500,000 00	16,500,000 00
Total.	365,000	—	\$36,500,000 00	\$36,500,000 00

No change has been made in this account during the current fiscal year.

EXHIBIT N.

FUNDED DEBT—ENTIRE SYSTEM.

JUNE 30th, 1898.

DESCRIPTION.	Time.		Amount of authorized issue.	Amount issued.	Amount out-standing.	Interest.	
	Date of issue.	When due.				Rate.	When payable.
First mortgage bonds	Nov. 1, 1890.	Nov. 1, 1989.	\$20,000,000 00	\$20,000,000 00	\$20,000,000 00	4%	May and Novemb'r
Second mortgage, income, bonds	Nov. 1, 1890.	Nov. 1, 1989.	10,000,000 00	8,000,000 00	8,000,000 00	*4%	January and July.
Total. .	—	—	\$30,000,000 00	\$28,000,000 00	\$28,000,000 00	—	—

*If earned.

No change has been made in this account during the current fiscal year.

EXHIBIT O.
EQUIPMENT TRUST OBLIGATIONS.
JUNE 30TH, 1898.

Total outstanding June 30th, 1897				\$294,557 74
Add—				
St. Charles Car Company Trust, Series X 1, agreement dated December 27th, 1897, (covering deferred payments and interest) for 300 new box cars, 60,000 lbs. capacity				148,395 60
Total				\$442,953 34
Deduct—				
Notes paid during fiscal year ended June 30th, 1898				107,212 14
Total outstanding June 30th, 1898, shown in detail below				\$335,741 20
WHEN DUE.	St. L. Ark. & Tex. Ry.	St. L. S. W. Ry. Co.		Total.
	Series "A 37."	Series "A."	Series "X 1."	
Due prior to July 1st, 1898, extended . .	\$ 53,912 58	—	—	\$ 53,912 58
Due during year ended June 30th, 1899	23,272 58	\$25,000 00	\$29,679 12	77,951 70
" " " " " 30th, 1900	—	25,000 00	29,679 12	54,679 12
" " " " " 30th, 1901	—	25,000 00	29,679 12	54,679 12
" " " " " 30th, 1902	—	25,000 00	29,679 12	54,679 12
" " " " " 30th, 1903	—	25,000 00	14,839 56	39,839 56
Total	\$77,185 16	\$125,000 00	\$133,556 04	\$335,741 20
Average annual payment for five years	—	—	—	\$ 67,148 24

During the fiscal year ended June 30th, 1898, your company purchased 300 new box cars, 60,000 pounds capacity, equipped with air brakes and the safety appliances required by law, 200 of which cost \$536.00 each, and 100, \$537.50 each, making the total cost of the 300 box cars \$160,950.00. Twenty per cent. of the total cost, or \$32,190.00 was paid in cash, and the balance, \$128,760.00, with interest at 6 per cent. per annum (\$19,635.00), was covered by sixty monthly notes, amounting to \$2,473.26 each, the total of the principal and interest covered by these notes being \$148,395.60. These notes are dated December 27th, 1897, and fall due on the 27th day of each month—the last note maturing December 27th, 1902.

Notwithstanding these additional equipment trust obligations, attention is called to the fact that the foregoing statement shows that the total amount of such obligations outstanding June 30th, 1898, is only \$41,183.46 in excess of the total amount outstanding June 30th, 1897, which is the result of the large payments, aggregating \$107,212.14, made during the fiscal year ended June 30th, 1898.

EXHIBIT P.

FLOATING DEBT—ENTIRE SYSTEM.

ACCOUNTS.	June 30, 1898.	June 30, 1897.	+ Increase, - Decrease, This year.
DEFERRED AND CURRENT LIABILITIES.			
DEFERRED—			
Notes payable—due on stated dates after July 1st	\$ 337,639 47	\$ 377,500 00	- \$ 39,860 53
Interest on bonds, accrued—not due until November 1st.	133,333 33	133,333 33	—
Taxes accrued to June 30th—not due until December 31st.	64,381 07	62,096 30	+ 2,284 77
Hospital fund	1,345 24	4,360 66	- 3,015 42
	\$ 536,699 11	\$ 577,290 29	- \$ 40,591 18
CURRENT—			
Audited vouchers unpaid	\$ 557,718 35	\$ 392,104 84	+\$ 165,613 51
Audited pay rolls unpaid	279,007 50	253,802 40	+ 25,205 10
Interest on bonds—due and unpaid (unpresented coupons).	34,180 00	32,600 00	+ 1,580 00
Notes payable—due on demand	49,000 00	—	+ 49,000 00
	\$ 919,905 85	\$ 678,507 24	+\$ 241,398 61
Total deferred and current liabilities	\$1,456,604 96	\$1,255,797 53	+\$ 200,807 43
CURRENT ASSETS.			
CASH—			
In hands of Treasurer	\$ 90,777 62	\$ 62,468 15	+\$ 28,309 47
Remittances in transit from agents and conductors	45,858 03	54,639 21	- 8,781 18
In hands of Paymaster	5,017 51	4,957 58	+ 59 93
Central Trust Co. of New York—to pay unpresented coupons	34,180 00	32,600 00	+ 1,580 00
On deposit with Brooklyn Trust Co., N.Y.	2,183 31	2,053 09	+ 130 22
	\$ 178,016 47	\$ 156,718 03	+\$ 21,298 44
SUNDRY ACCOUNTS COLLECTIBLE—			
Station agents and conductors	\$ 35,081 00	\$ 34,066 64	+\$ 1,014 36
Bills receivable	10,284 01	7,242 10	+ 3,041 91
U. S. Post Office Department	39,084 99	38,816 91	+ 268 08
Pacific Express Co.	6,000 00	6,000 00	—
Individuals and companies—open acc'ts	158,098 55	25,862 86	+ 132,235 69
	\$ 248,548 55	\$ 111,988 51	+\$ 136,560 04
ADVANCES TO SUNDRY AGENTS (to be accounted for)	\$ 5,954 28	\$ 3,576 20	+\$ 2,378 08
PREPAID INSURANCE	\$ 4,721 29	\$ 4,650 63	+\$ 70 66
SUPPLIES ON HAND—			
Shop supplies	\$ 137,959 21	\$ 93,391 48	+\$ 44,567 73
Fuel	25,831 50	23,465 21	+ 2,366 29
Bridge and building material	62,318 64	52,646 86	+ 9,671 78
Cross ties	34,872 93	41,327 74	- 6,454 81
Steel rails—new	1,885 03	12,217 92	- 10,332 89
Second-hand rails	20,812 27	18,882 17	+ 1,930 10
Stationery stock	6,547 90	5,946 10	+ 601 80
War revenue stamps	1,085 00	—	+ 1,085 00
	\$ 291,312 48	\$ 247,877 48	+\$ 43,435 00
Total current assets	\$ 728,553 07	\$ 524,810 85	+\$ 203,742 22
FLOATING DEBT, or balance of deferred and current liabilities in excess of current assets	\$ 728,051 89	\$ 730,986 68	- \$ 2,934 79
Less market value, June 30th, of other available assets owned by the company, consisting of investments in stocks and bonds, as shown by Exhibit K. page 24	74,987 37	39,740 94	+ 35,246 43
NET FLOATING DEBT, JUNE 30TH	\$ 653,064 52	\$ 691,245 74	- \$ 38,181 22

The foregoing statement shows a decrease of \$38,181.22 in the net floating debt June 30th, 1898, as compared with the net

floating debt June 30th, 1897. The greater portion of this decrease is caused by the increase of \$35,246.43 in the market value of other available assets, the floating debt or balance of deferred and other liabilities in excess of current assets being practically the same on June 30th, 1898, as on June 30th, 1897. The increase in the market value of other available assets is due to the acquisition in October, 1897, of \$31,000.00 of capital stock, and \$31,000.00 of first mortgage bonds of the Paragould South-eastern Ry. Co. (see Exhibit K, page 24), the present market value of which is estimated at \$31,000.00; and to a slight advance in the market value of the other securities remaining in the treasury June 30th, 1898.

The item of "Deferred Liabilities" in the foregoing statement, includes the following liabilities, which are not due until several months after the close of the fiscal year ended June 30th, 1898:

Interest on bonds accrued, not due until November 1st, 1898, \$133,333 33	
Taxes accrued to June 30th, 1898, not due until 1899	62,096 30
Total	\$195,429 63

After deducting the total of these two items from the net floating debt, namely, \$653,064.52, there remains only \$457,634.89, the greater portion of which is covered by notes payable, aggregating \$337,639.47, due on stated dates after July 1st, 1898, principally during the fall and winter months, when the earnings are the largest.

EXHIBIT Q.

MISCELLANEOUS ACCOUNTS—ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.
Equipment replacement fund	\$104,768 85	\$84,720 00	\$20,048 85
Donated town lot sales	5,849 75	5,656 00	193 75
Total	\$110,618 60	\$90,376 00	\$20,242 60

EXHIBIT R.

SUMMARY OF FINANCIAL TRANSACTIONS—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1898.

The following statement, considered in connection with the foregoing financial exhibits, furnishes in a condensed form an analysis of all resources, showing, also, how the same were appropriated, during the fiscal year ended June 30th, 1898:

RESOURCES.			
Cash balance July 1st, 1897			\$ 62,468 15
Gross earnings from operation	\$5,279,332 82		
Miscellaneous income	8,907 14		
Increase in equipment trust obligations:			
St. Charles Car Co., series X1 — agreement dated Dec. 27th, 1897, notes issued to cover deferred payments on 300 new box cars	\$148,395 60		
Less equipment trust obligations paid	107,212 14	41,183 46	
Increase in current liabilities	241,398 61		
Increase in miscellaneous accounts	20,242 60		5,591,064 63
			<u>\$5,653,532 78</u>
APPROPRIATION OF RESOURCES.			
Operating expenses (including betterments)	\$4,173,327 62		
Interest on bonds, taxes and all other payments charged against income	957,618 80		
Compromise settlement of suits, judgments, etc., vs. Receivers St. L., A. & T. Ry. and St. L. A. & T. Ry. in Texas,	12,320 08		
Increase in cost of road and equipment	158,828 48		
Increase in stocks and bonds owned: \$31,000.00 of first mortgage bonds, and \$31,000.00 capital stock of the Paragould Southeastern Ry. Co., acquired in October, '97, cost to company	26,937 50		
Increase in current assets (exclusive of cash in hands of Treasurer)	175,459 46		
Unaccrued interest on equipment trust notes (St. Charles Car Co., series X1) included in face value of the notes that have not matured	17,672 04		
Decrease in deferred liabilities	40,591 18		5,562,755 16
Cash balance June 30th, 1898			<u>\$ 90,777 62</u>

TRAFFIC.

FREIGHT TRAFFIC.

TONNAGE AND REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Per cent.	Decrease	Per cent.
No. of tons carried . .	1,773,333	1,524,709	248,624	16.31	—	—
No. of tons carried one mile	358,109,737	325,472,192	32,637,545	10.03	—	—
Average distance haul of one ton (miles) . .	201.94	213.47	—	—	11.53	5.40
*Total freight revenue .	\$4,138,932.01	\$3,668,481.77	\$470,450.24	12.82	—	—
*Average revenue per ton	\$2.3340	\$2.4060	—	—	\$0.0720	2.99
*Average revenue per ton per mile	\$0.0116	\$0.0113	\$0.0003	2.65	—	—

* Actual revenue derived from hauling freight, not including any portion of miscellaneous revenue.

By referring to the foregoing table, it will be noted that the total number of tons carried during the fiscal year ended June 30th, 1898, increased 248,624 tons, or 16.31 per cent., and it is worthy of comment that the movement of this increased tonnage was accomplished by a much smaller increase in freight train mileage, viz.: 150,862 miles or 7.41 per cent. (See table on page 41.)

The number of tons carried one mile increased 32,637,545 miles, or 10.03 per cent.; the total freight revenue increased \$470,450.24, or 12.82 per cent., and the average revenue per ton per mile increased \$0.0003 or 2.65 per cent. The increase in the latter item is attributable to an increased movement of high class tonnage for the fiscal year, and is equivalent to a gain of \$107,432.92 in gross revenue.

The average distance haul of one ton shows a decrease of 11.53 miles, or 5.40 per cent., and the average revenue per ton a decrease of \$0.0720, or 2.99 per cent. These decreases are

explained in a general way by the growth of local business along your lines, which increased the total tonnage handled, and the average revenue per ton per mile, but on account of the shorter distances transported, caused the decrease in the average distance haul of one ton, and the average revenue per ton shown in the foregoing table.

Following this will be found the usual table of classified tonnage, showing the number of tons of each commodity transported during the fiscal year ended June 30th, 1898, compared with the previous year. This table also shows the increase or decrease in the tonnage of each commodity, the per cent. thereof, and the relative percentage of each commodity to the total tonnage:

CLASSIFICATION OF TONNAGE—ENTIRE SYSTEM.

TOTAL TONNAGE TRANSPORTED.

COMMODITIES.	Year ended June 30, 1898.		Year ended June 30, 1897.		Increase.		Decrease.	
	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.
Lumber	798,092	45.01	709,664	46.54	88,428	12.46	—	—
Cotton	156,383	8.81	112,983	7.41	43,400	38.41	—	—
Cotton seed products . .	130,720	7.37	68,054	4.46	62,666	92.08	—	—
Grain	127,915	7.21	142,275	9.33	—	—	—	—
Flour	38,937	2.20	48,947	3.21	—	—	14,360	10.09
Other mill products . . .	36,706	2.07	43,711	2.87	—	—	7,005	16.03
Hay	33,678	1.90	28,928	1.90	4,750	16.42	—	—
Tobacco	611	.03	407	.03	204	50.12	—	—
Vegetables	25,202	1.42	31,352	2.06	—	—	6,150	19.62
Live stock	65,562	3.70	54,988	3.61	10,574	19.23	—	—
Packing house products.	21,783	1.23	17,766	1.17	4,017	22.61	—	—
Merchandise	85,543	4.82	75,953	4.98	9,590	12.63	—	—
Coal (includ'g charcoal)	47,479	2.67	36,052	2.36	11,427	31.70	—	—
Oil	20,698	1.17	13,507	.88	7,191	53.24	—	—
Sugar	10,602	.60	9,220	.60	1,382	14.99	—	—
Agricultural implements	3,614	.20	3,424	.22	190	5.55	—	—
Household goods	9,504	.54	7,296	.48	2,208	30.26	—	—
Salt	8,455	.48	8,220	.54	235	2.86	—	—
Wine, liquors and beer .	8,644	.49	7,737	.51	907	11.72	—	—
Miscellaneous	143,205	8.08	104,225	6.84	38,980	37.40	—	—
Total	1,773,333	100.00	1,524,709	100.00	248,624	16.31	—	—
Net increase					248,624	16.31	—	—

The substantial increase in the total tonnage transported of 248,624 tons, or 16.31 per cent., as shown in the foregoing table,

is the result, with a few exceptions, of a general increase in all classes of freight transported.

Lumber shows an increase in the number of tons carried of 88,428 tons, or 12.46 per cent., and, as usual, constitutes nearly one-half of the total tonnage movement.

COTTON.

The good cotton crop of 1897-98 throughout the territory traversed by your lines is reflected in the increased tonnage of this commodity for the fiscal year ended June 30th, 1898, of 43,400 tons, or 38.41 per cent.

Following this will be found an interesting table containing information concerning the tonnage of cotton transported, and the revenue derived therefrom:

COTTON TONNAGE AND REVENUE.

ENTIRE SYSTEM.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Per cent.	Decrease.	Per cent.
Number of tons carried .	156,383	112,983	43,400	38.41	—	—
Number of bales carried	607,624	440,073	167,551	38.07	—	—
Average weight per bale (pounds)	515	513	2	.39	—	—
Total revenue from cotton	\$810,656.38	\$659,747.47	\$150,908.91	22.87	—	—
Average revenue per bale	\$1.33	\$1.50	—	—	\$.17	11.33
Per cent of cotton tonnage to total frt. tonnage	08.82	07.41	01.41	19.03	—	—
Per cent of cotton revenue to total frt. revenue	19.59	17.98	01.61	8.95	—	—

This table shows a material increase in the total number of bales handled during the fiscal year, and the total revenue therefrom, but a decrease in the average revenue per bale. This decrease is due to the relentless rate war waged between the steamship lines operating from Galveston, which necessitated a reduction in all rail rates, in order to meet the competition of the steamship lines.

The very large increase in the tonnage of cotton seed products, namely, 62,666 tons, or 92.08 per cent., was caused primarily by the large cotton crop, and to the further fact that a larger percentage than usual of this product was hauled into the various points on your lines where oil mills are located, and converted into oil and other cotton seed products, a large share of which was reshipped via your lines.

The decrease in grain, flour and other mill products is attributable to the successful grain crop in Texas in the season of 1897. Heretofore the quantity of grain produced in Texas has not been sufficient for home consumption, and on that account large quantities of grain and grain products have been shipped into Texas from other states. Therefore, the increase in the amount of grain raised in Texas reduced the movement of grain over your line from other states into Texas. The movement of export grain via Galveston was also stopped in the spring of 1898 by the declaration of war with Spain, which contributed somewhat to the decrease in the tonnage of this commodity.

The decrease in the tonnage of vegetables of 6,150 tons or 19.62 per cent., is explained by the decreased tonnage of potatoes and other vegetables from Northern points to Texas. The watermelon crop in Southeast Missouri, and the fruit crop in Eastern Texas continued good as in the previous year, and a large share of these products was marketed via your lines.

All other commodities show a healthy increase for the fiscal year ended June 30th, 1898, over the preceding year, particularly live stock, coal and miscellaneous freight. The increase in miscellaneous freight of 38,980 tons, or 37.40 per cent., is especially gratifying, and indicates an increased movement of manufactured articles to points on and adjacent to your lines, which is a result of the generally improved business conditions.

The following tables show a subdivision of the information in the table described "Classification of Tonnage," on page 32,

under "Tonnage Originating on this System," and "Tonnage Received from Connecting Roads:"

TONNAGE ORIGINATING ON THIS SYSTEM.

COMMODITIES.	Year ended June 30, 1898.		Year ended June 30, 1897.		Increase.		Decrease.	
	Tons.	Per cent. of commodity total.	Tons.	Per cent. of commodity total.	Tons.	Per cent.	Tons.	Per cent.
Lumber	634,993	79.56	653,530	92.09	—	—	18,537	2.84
Cotton	144,414	92.35	104,700	92.67	39,714	37.93	—	—
Cotton seed products . .	111,633	85.40	57,547	84.56	54,086	93.99	—	—
Grain	44,609	34.87	43,567	30.62	1,042	2.39	—	—
Flour	11,632	29.87	7,582	15.49	4,050	53.42	—	—
Other mill products . . .	11,704	31.89	20,424	46.73	—	—	8,720	42.69
Hay	17,915	53.19	15,264	52.77	2,651	17.37	—	—
Tobacco	10	1.64	1	.25	—	9,900.00	—	—
Vegetables	13,245	52.56	9,516	30.35	3,729	39.19	—	—
Live stock	42,069	64.17	37,219	67.69	4,850	13.03	—	—
Packing house products .	733	3.37	865	4.87	—	—	132	15.26
Merchandise	33,618	39.30	34,114	44.91	—	—	496	1.45
Coal (includ'g charcoal)	15,781	33.24	12,480	34.62	3,301	26.45	—	—
Oil	5,962	28.80	2,198	16.27	3,764	171.25	—	—
Sugar	765	7.22	732	7.94	33	4.51	—	—
Agricultural implements	310	8.58	436	12.73	—	—	126	28.90
Household goods	4,184	44.02	1,974	27.06	2,210	111.96	—	—
Salt	271	3.21	140	1.70	131	93.57	—	—
Wine, liquors and beer .	340	3.93	576	7.44	—	—	236	40.97
Miscellaneous	45,189	31.56	39,685	38.08	5,504	13.87	—	—
Total	1,139,377	64.25	1,042,550	68.38	96,827	9.29	—	—

TONNAGE RECEIVED FROM CONNECTING ROADS.

COMMODITIES.	Year ended June 30, 1898.		Year ended June 30, 1897.		Increase.		Decrease.	
	Tons.	Per cent. of commodity total.	Tons.	Per cent. of commodity total.	Tons.	Per cent.	Tons.	Per cent.
Lumber	163,099	20.44	56,134	7.91	106,965	190.55	—	—
Cotton	11,969	7.65	8,283	7.33	3,686	44.50	—	—
Cotton seed products . .	19,087	14.60	10,507	15.44	8,580	81.66	—	—
Grain	83,306	65.13	98,708	69.38	—	—	15,402	15.60
Flour	27,305	70.13	41,365	84.51	—	—	14,060	33.99
Other mill products . . .	25,002	68.11	23,287	53.27	1,715	7.36	—	—
Hay	15,763	46.81	13,664	47.23	2,099	15.36	—	—
Tobacco	601	98.36	406	99.75	195	48.03	—	—
Vegetables	11,957	47.44	21,836	69.65	—	—	9,879	45.24
Live stock	23,493	35.83	17,769	32.31	5,724	32.21	—	—
Packing house products .	21,050	96.63	16,901	95.13	4,149	24.55	—	—
Merchandise	51,925	60.70	41,839	55.09	10,086	24.11	—	—
Coal (includ'g charcoal)	31,698	66.76	23,572	65.38	8,126	34.47	—	—
Oil	14,736	71.20	11,309	83.73	3,427	30.30	—	—
Sugar	9,837	92.78	8,488	92.06	1,349	15.89	—	—
Agricultural implements	3,304	91.42	2,988	87.27	316	10.58	—	—
Household goods	5,320	55.98	5,322	72.94	—	—	2	.04
Salt	8,184	96.79	8,080	98.30	104	1.29	—	—
Wine, liquors and beer .	8,304	96.07	7,161	92.56	1,143	15.96	—	—
Miscellaneous	98,016	68.44	64,540	61.92	33,476	51.87	—	—
Total	633,956	35.75	482,159	31.62	151,797	31.48	—	—

These tables will be found especially interesting, as showing the tonnage of each commodity originating on this system and received from connecting roads. It will be noted that the tonnage received from connecting roads during the current fiscal year forms 35.75 per cent. of the total tonnage transported, as against 31.62 per cent. for the preceding fiscal year.

NEW INDUSTRIES.

A number of new industries were located on your lines during the fiscal year ended June 30th, 1898, the most important of which are the following:

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

Coulter, Mo. (M. P. 9)—Slack barrel stave factory.

Wilson, Mo. (M. P. 12)—Saw mill.

Haines, Mo. (M. P. 52)—Saw mill.

Dexter, Mo.—Hub and spoke factory.

Piggott, Ark.—Saw mill.

Rector, Ark.—Cotton gin.

Gilkerson, Ark. (M. P. 132)—Saw mill.

Waldenberg, Ark. (M. P. 150)—Saw mill.

England, Ark.—Cotton gin.

Pine Bluff, Ark.—Cotton oil mill, with capacity of 1,200 tons of various products per annum.

Draughon, Ark. (M. P. 297)—Stave factory, with capacity of sixteen thousand staves per day.

Thornton, Ark.—Stave factory, with capacity of five or six cars per month.

Stamps, Ark.—Planing mill, with capacity of seven cars per day.

Shreveport, La.—Cotton compress and warehouse, with capacity of about one hundred and thirty-five thousand bales per annum.

Shreveport, La.—Two wholesale grocery warehouses, with capacity of about three hundred cars each per annum, erected directly adjacent to your company's track.

Shreveport, La.—Oil storage and shipping station, erected by Waters-Pierce Oil Company, directly adjacent to your company's track, capacity about two hundred cars per annum.

Shreveport, La.—Cold storage and warehouse, erected directly adjacent to your company's track.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

Maud, Tex. (M. P. 437)—New 120-saw cotton gin.

Sulphur Springs, Tex.—Oil mill, with capacity of fifty tons per day.

Sulphur Springs, Tex.—Cotton compress, with capacity of fifteen hundred bales per day.

Ridgeway, Tex.—Two cotton gins, 120-saw and 210-saw respectively.

Greenville, Tex.—Mill for the manufacture of spokes and felloes.

Greenville, Tex.—The roller mill which was destroyed by fire during the preceding fiscal year has been rebuilt, and the capacity increased to two hundred barrels per day.

Greenville, Tex.—Cotton compress, with a capacity of fifteen hundred bales per day.

Whitewright, Tex.—Flouring mill, with capacity of one hundred barrels per day.

Bell, Tex. (M. P. 498)—Saw mill.

Corsicana, Tex.—The oil industry at Corsicana has developed rapidly during the current fiscal year. In the Sixth Annual Report, page 39, eleven flowing wells were reported; at the date of this report there are two hundred and sixty-three producing wells, with an output of twenty-six hundred barrels per day. A refinery is being erected at a cost of \$250,000.00, and storage

tanks with a capacity of two hundred thousand barrels have been constructed, in which to store the crude oil until the refinery is ready for operation.

TYLER SOUTHEASTERN RAILWAY COMPANY.

The vegetable, fruit, and melon industry has shown a marked development during the current fiscal year, in Smith and Cherokee counties, about two thousand acres, exclusive of orchards, being used in the cultivation of these products.

PASSENGER TRAFFIC.

PASSENGERS CARRIED AND REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Per cent.	Decrease.	Per cent.
Number of passengers carried .	828,538	803,644	24,894	3.10	—	—
Number of passengers carried one mile	37,153,691	33,214,295	3,939,396	11.86	—	—
Average distance one passenger carried (miles)	44.84	41.33	3.51	8.49	—	—
*Total passenger revenue . . .	\$854,121.45	\$785,018.07	\$69,103.38	8.80	—	—
*Average revenue per passenger	\$1.0309	\$0.9768	\$0.0541	5.54	—	—
*Average revenue per passenger per mile	\$0.0230	\$0.0236	—	—	\$0.0006	2.54

*Actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

As shown in the foregoing table the number of passengers carried during the fiscal year ended June 30th, 1898, increased 24,894 or 3.10 per cent. over the preceding year, and the total passenger revenue increased \$69,103.38, or 8.80 per cent.

On the other hand, the average revenue per passenger per mile decreased \$0.0006, or 2.54 per cent., which is partially explained as follows: During the fall of 1897 a yellow fever epidemic prevailed, and the strict quarantine regulations resulting therefrom, made it necessary to handle passengers to and from points in the East and Southeast via Cairo, causing a longer haul than via the natural route, Fair Oaks, without a correspond-

ing increase in revenue. An unusual number of passengers were handled to Southeastern points during the fiscal year at cheap excursion rates, which materially increased the total number of passengers carried, and the total passenger revenue, but decreased the average revenue per passenger per mile.

The general passenger movement is fully analyzed in the following table for the fiscal year ended June 30th, 1898, compared with the preceding fiscal year:

**CLASSIFICATION OF PASSENGERS AND PASSENGER REVENUE—
ENTIRE SYSTEM.**

ITEM.	Year ended June 30, 1898.	Year ended June 30, 1897.	In- crease.	Per cent.	De- crease.	Per cent.
PASSENGERS CARRIED—						
Local tickets	638,189	623,257	14,932	2.40	—	—
Cash fares	108,852	113,950	—	—	5,098	4.47
Home coupon tickets	43,491	32,730	10,761	32.88	—	—
Foreign coupon tickets	38,006	33,707	4,299	12.75	—	—
Total	828,538	803,644	24,894	3.10	—	—
PASSENGERS CARRIED ONE MILE—						
Local tickets	19,228,049	18,539,333	688,716	3.71	—	—
Cash fares	1,325,766	1,440,882	—	—	115,116	7.99
Home coupon tickets	7,213,035	5,758,089	1,454,946	25.27	—	—
Foreign coupon tickets	9,386,841	7,475,991	1,910,850	25.56	—	—
Total	37,153,691	33,214,295	3,939,396	11.86	—	—
PASSENGER REVENUE—						
Local tickets	\$505,432 81	\$478,401 15	\$27,031 66	5.65	—	—
Cash fares	41,301 78	44,340 86	—	—	\$3,039 08	6.85
Home coupon tickets	126,884 20	113,042 99	13,841 21	12.24	—	—
Foreign coupon tickets	180,502 66	149,233 07	31,269 59	20.95	—	—
Total	\$854,121 45	\$785,018 07	\$69,103 38	8.80	—	—
REVENUE PER PASSENGER—						
Local tickets	\$0.7920	\$0.7676	\$0.0244	3.18	—	—
Cash fares	0.3794	0.3891	—	—	\$0.0097	2.49
Home coupon tickets	2.9175	3.4538	—	—	0.5363	15.53
Foreign coupon tickets	4.7493	4.4274	0.3219	7.27	—	—
Total	\$1.0309	\$0.9768	\$0.0541	5.54	—	—
REVENUE PER PASSENGER PER MILE—						
Local tickets	\$0.0263	\$0.0258	\$0.0005	1.94	—	—
Cash fares	0.0312	0.0308	0.0004	1.30	—	—
Home coupon tickets	0.0176	0.0196	—	—	\$0.0020	10.20
Foreign coupon tickets	0.0192	0.0200	—	—	0.0008	4.00
Total	\$0.0230	\$0.0236	—	—	\$0.0006	2.54

NOTE.—The foregoing results are based on actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

MAIL TRAFFIC.

Mail revenue fiscal year ended June 30th, 1898	\$146,540 82
Mail revenue fiscal year ended June 30th, 1897	146,231 84
Increase.	\$ 308 98
Per cent. of increase. . . . .	.21

The small increase in mail revenue is due to minor adjustments, etc., the fixed compensation per annum being the same during the year ended June 30th, 1898, as during the preceding fiscal year.

In the spring of 1898 the Government weighed the mails on all the Arkansas and Texas routes, comprising the entire system (with the exception of the Delta and New Madrid branches), and although advice has not yet been received from the Government as to the amount of compensation to be allowed under the new weights, the statements giving the weights obtained last spring show large increases, and the result will be a substantial increase in the mail revenue of your company. According to the United States Post Office Department regulations, the new rates of compensation, based upon the weights obtained in the spring of 1898, do not take effect until July 1st, 1898.

CONDUCTING TRANSPORTATION.

TRAIN AND CAR MILEAGE STATISTICS—ENTIRE SYSTEM.

COMPARATIVE FOR YEARS ENDED JUNE 30TH, 1898-97.

FREIGHT.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Per cent.	Decrease.	Per cent.
Total number of freight cars owned and leased (all classes) at close of the year	5,148	4,353	795	18.26	—	—
Average number of freight cars in service during the year	4,593	4,392	201	4.58	—	—
Number of miles run by all freight trains (including mixed trains) .	2,187,854	2,036,992	150,862	7.41	—	—
Number of miles run by freight cars on this line—						
Loaded	31,261,518	29,029,185	2,232,333	7.69	—	—
Empty	12,317,032	11,374,066	942,966	8.29	—	—
All	43,578,550	40,403,251	3,175,299	7.86	—	—
Home	20,195,428	19,277,984	917,444	4.76	—	—
Foreign	23,383,122	21,125,267	2,257,855	10.69	—	—
Number of miles run by home cars on foreign lines	11,945,326	11,707,875	237,451	2.03	—	—
Percentage of empty car mileage to total car mileage	28.26	28.15	.11	.39	—	—
Average number of cars in each freight train—						
Loaded	14.29	14.25	.04	.28	—	—
Empty	5.63	5.58	.05	.90	—	—
All	19.92	19.83	.09	.45	—	—
Average load—						
Per loaded car (tons)	11.46	11.21	.25	2.23	—	—
Per train (tons)	163.68	159.73	3.95	2.47	—	—
Average number of miles run per car per day—						
On this line—home	25	24	1	4.17	—	—
On this line—foreign	23	26	—	—	3	11.54
On foreign lines—home.	18	20	—	—	2	10.00
PASSENGER.						
Total number of passenger cars owned (all classes) at close of the year	94	99	—	—	5	5.05
Average number of passenger cars in service during the year	95	97	—	—	2	2.06
Number of miles run by pass. trains (not includ. mixed trains)	1,459,200	1,465,147	—	—	5,947	.41
Number of miles run by passenger cars on this line—						
Home	5,144,441	4,964,136	180,305	3.63	—	—
Foreign	1,138,049	1,216,181	—	—	78,132	6.42
All	6,282,490	6,180,317	102,173	1.65	—	—
Average number of cars in each passenger train.	4.10	4.01	.09	2.24	—	—
Average number of miles run per car per day—						
Home	164	156	8	5.13	—	—
Foreign	111	145	—	—	34	23.45

FREIGHT.

During the current fiscal year your company purchased 300 new box cars, 60,000 pounds capacity, which were delivered during October and November, 1897, and leased 500 stable cars from the Mather Humane Stock Transportation Company, which were delivered in April, May and June, 1898. These additions were the principal causes of the increase of 795 cars in the number of freight cars owned and leased, as shown in the first item of the table on the preceding page. However, as these additional cars were used only a portion of the year, the average number of cars in service during the year increased only 201, or 4.58 per cent.

The total freight train mileage increased 7.41 per cent., the loaded car mileage 7.69 per cent., and the total car mileage 7.86 per cent., while the total tonnage transported increased 16.31 per cent. The fact that the per cent. of increases in the train and loaded car mileage is so much less than the per cent. of increase in total tonnage transported is the result of the increase of 2.23 per cent. in the average load per loaded car, and 2.47 per cent. in the average load per train.

As the average number of your company's freight cars in service during the year increased only 4.58 per cent., and the average number of miles run per car per day by your company's cars on this line increased only 4.17 per cent., it was necessary to utilize freight cars of other companies to transport the greater portion of the heavy increase in freight traffic, which resulted in an increase of 10.69 per cent. in the mileage of foreign freight cars on your lines.

The following table shows the amount earned by St. Louis Southwestern Railway System freight cars on foreign roads, and the amount paid for mileage of foreign cars on your lines during

the year ended June 30th, 1898, compared with the year ended June 30th, 1897:

AMOUNTS PAID AND RECEIVED FOR MILEAGE OF FREIGHT CARS.

DESCRIPTION.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Per cent.
Amount earned by foreign freight cars on St. L. S. W. Ry.—Entire system	\$153,555 22	\$136,719 47	\$16,835 75	12.31
Amount earned by St. L. S. W. Ry. System freight cars on foreign roads. . . .	73,395 89	71,033 97	2,361 92	3.33
Net balance due foreign roads	\$80,159 33	\$65,685 50	\$14,473 83	22.04

The amount earned by foreign cars on your lines shows an increase of \$16,835.75, or 12.31 per cent., which is due in a large measure to the increase in mileage of refrigerator cars and stable cars belonging to private car lines. The increase in the number of miles run by foreign freight cars on your lines is 10.69 per cent. The per cent. of increase in the amount earned is greater than the per cent. of increase in the mileage made by foreign cars on your lines, which is due to the fact that a large proportion of this increase is caused by the increase in the mileage of refrigerator cars for the use of which higher rates of mileage are paid than for ordinary freight cars. It is gratifying to know that the classes of business handled in stable cars and refrigerator cars have increased sufficiently to cause the large increases in the mileage of such cars.

The amount earned by St. Louis Southwestern Railway System cars on foreign lines during the current fiscal year shows an increase of \$2,631.92, or 3.33 per cent., which compares favorably with the increase of 2.03 per cent. in the number of miles run by home cars on foreign lines.

PASSENGER.

During the current fiscal year the number of passenger cars owned was reduced, principally by sales to other railroads, from

ninety-nine to ninety-four, the reduction in the average number of passenger cars in service during the year being only two, or 2.06 per cent. The increase of 3.63 per cent. in the mileage of home cars is due to the number of excursions run, in which home cars are used almost exclusively, and the decrease of 6.42 per cent. in the mileage of foreign cars on this line is caused by using a smaller number of foreign cars during the current fiscal year than during the preceding fiscal year.

MAINTENANCE OF WAY.

ROAD DEPARTMENT.

CHARACTER OF RAIL IN MAIN TRACK, JUNE 30TH, 1898.

LOCATION.	75-lb. Steel. Track miles.	56-lb. Steel. Track miles.	35-lb. Steel. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.				
Main line	45.27	372.73	—	418.00
New Madrid branch	—	—	5.70	5.70
Delta branch	—	51.40	—	51.40
Little Rock branch	—	41.70	—	41.70
Magnolia branch	—	.02	6.38	6.40
Shreveport branch	—	59.50	—	59.50
Total	45.27	525.35	12.08	582.70
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—				
Main line	—	285.92	18.68	304.60
Sherman branch	—	109.90	—	109.90
Ft. Worth branch	—	97.20	—	97.20
Hillsboro branch	—	40.00	—	40.00
Total	—	533.02	18.68	551.70
TYLER SOUTHEASTERN RY. CO.—				
Main line	—	.17	88.43	88.60
ENTIRE SYSTEM, JUNE 30th, 1898 .	45.27	1,058.54	119.19	1,223.00
ENTIRE SYSTEM, JUNE 30th, 1897 .	23.86	1,062.11	137.03	1,223.00
Increase, this year	21.41	—	—	—
Decrease, this year	—	3.57	17.84	—

The following table contains a summary of the new steel rail, weighing 75 pounds to the yard (the standard heretofore adopted), purchased and placed in main track and leads to side tracks, to

June 30th, 1898, and the amount remaining on hand at that date:

NEW 75-POUND STEEL RAIL PURCHASED AND PLACED IN TRACK.

ITEM.	Tons.	Track miles.
PURCHASED—		
During fiscal year ended June 30th, 1895 . .	1010 1100	8.58
During fiscal year ended June 30th, 1896 . .	2120 2140	17.99
During fiscal year ended June 30th, 1897 . .	301 310	2.56
During fiscal year ended June 30th, 1898 . .	2089 2110	17.73
Total purchased	5522 5860	46.86
PLACED IN TRACK—		
During fiscal year ended June 30th, 1895 . .	522 520	4.43
During fiscal year ended June 30th, 1896 . .	1069 1010	9.08
During fiscal year ended June 30th, 1897 . .	1272 1210	10.80
During fiscal year ended June 30th, 1898 . .	2557 2540	21.70
Total placed in track	5422 5320	46.01
Balance on hand June 30th, 1898	99 140	.85

Especial attention is called to the fact that during the fiscal year ended June 30th, 1898, a total of 21.70 track miles of standard 75-pound rail were laid, making a total of 46.01 track miles of that class of rail in the track at the close of the fiscal year. This rail was laid between mile posts 274 and 297 on the main line in Arkansas. Wherever 75-pound steel rail has been laid the grade has been reduced to 1 per cent.

The difference between the value of the new standard 75-pound steel rail put in track and the value of the old 56-pound rail thereby released or taken out of track, and the cost of labor connected therewith, were charged to operating expenses, maintenance of way, and were not included in the statement of betterments and extraordinary expenses on page 17, although the track has been greatly improved by putting in the heavier rail.

Nearly all of the 56-pound rail replaced by the standard 75-pound steel rail laid during the current fiscal year, was used to replace 35-pound rail on the main line in Texas, south of Waco,

as will be seen by the decrease of 17.84 track miles of 35-pound steel, shown in table headed "Character of rail in main track June 30th, 1898," page 45.

CHARACTER OF BALLAST IN MAIN TRACK, JUNE 30TH, 1898.

DESCRIPTION.	Ballasted this year. Track miles.	Total ballasted. Track miles.	Not ballasted. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.—				
Rock	—	3.84	—	3.84
Gravel and sand	3.00	217.04	—	217.04
Cinders	—	19.32	—	19.32
Natural soil and length of bridges and trestles . . .	—	—	342.50	342.50
Total	3.00	240.20	342.50	582.70
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—				
Rock	2.00	91.80	—	91.80
Gravel and sand	—	132.95	—	132.95
Cinders . . . . .	.11	25.69	—	25.69
Natural soil and length of bridges and trestles . . .	—	—	301.26	301.26
Total	2.11	250.44	301.26	551.70
TYLER SOUTHEASTERN RY. CO.—				
Rock . . . . .	.28	.34	—	.34
Gravel and sand	1.42	1.42	—	1.42
Cinders . . . . .	.29	1.28	—	1.28
Natural soil and length of bridges and trestles . . .	—	—	85.56	85.56
Total	1.99	3.04	85.56	88.60
ENTIRE SYSTEM—				
Rock	2.28	95.98	—	95.98
Gravel and sand	4.42	351.41	—	351.41
Cinders . . . . .	.40	46.29	—	46.29
Natural soil and length of bridges and trestles . . .	—	—	729.32	729.32
Total	7.10	493.68	729.32	1,223.00

Under the heading "Ballasted this year," the figures cover track on which absolutely new ballast has been placed. The work of repairing and re-ballasting track which has been

previously ballasted is not included therein, although much work of that character has been done.

FENCING ON RIGHT OF WAY, JUNE 30TH, 1898.

LOCATION.	Linear miles of fence.	
	Built this year.	Total June 30, 1898.
St. Louis Southwestern Ry. Co.	13.90	321.87
St. Louis Southwestern Ry. Co. of Texas . .	142.65	461.71
Tyler Southeastern Ry. Co.	—	.45
Entire system	156.55	784.03

The 13.90 miles of fence built this year on the line of the St. Louis Southwestern Railway were constructed by company forces, using the standard heretofore adopted, which consists of panels of eight feet, seven barbed wires, and a board next to the top wire, at a cost of \$2,713.90, or an average of \$195.24 per linear mile of fence.

The greater portion of the 142.65 miles of fence built this year on the line of the St. Louis Southwestern Railway of Texas was constructed between Corsicana and Tyler, under contract with the I. L. Ellwood Manufacturing Co. ; the balance consisted of fencing erected by company forces at various points where most needed, the total cost being \$14,488.09, or an average of \$101.56 per linear mile of fence. The standard heretofore adopted, consisting of panels of sixteen feet and four strands of barbed wire, was used, which will account for the average cost per linear mile of fence being less than on the St. Louis Southwestern Railway, on which a more expensive standard is used.

During the fiscal year ended June 30th, 1898, the amount paid in settlement for claims for stock killed and injured by trains decreased \$10,857.51, or 17.02 per cent. as compared with the preceding fiscal year, while there was an increase of 4.14 per cent. in the total train mileage. This illustrates very forcibly

the importance of continuing the work of fencing the track as rapidly as possible until the entire line has been fenced.

The table on the following page contains a comparison of the most important work of maintenance and improvements in the Road Department during the current fiscal year compared with the preceding fiscal year for each company separately, and for the entire system :

COMPARATIVE STATEMENT OF MAINTENANCE AND IMPROVEMENTS IN ROAD DEPARTMENT,
DURING YEARS ENDED JUNE 30TH, 1898-97.

CHARACTER OF WORK.	St. L. S. W. Ry. Co.		St. L. S. W. Ry. Co. of Texas.		T. S. & Ry. Co.		Entire System.	
	Year ended June 30, 1898.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1897.
Miles of track ditched by plow	52.8	44.0	12.9	18.9	—	—	65.7	62.9
Miles of track ballasted	3.0	18.5	2.1	5.5	2.0	—	7.1	24.0
Miles of track laid with 75-lb. steel	21.7	10.8	—	—	—	—	21.7	10.8
Miles of track laid and relaid with 56-lb. steel	4.2	4.3	20.6	10.1	.1	.1	24.9	14.5
Miles of track laid and relaid with 35-lb. steel	4.4	2.1	1.9	1.7	2.0	1.0	8.3	4.8
Miles of new saw mill spurs, private and side tracks	4.6	6.1	2.5	4.4	.6	.5	7.7	11.0
Miles of old side tracks taken up	2.1	3.3	2.1	1.2	1.2	.3	5.4	4.8
Number of cross-ties placed in track	387,216	448,520	269,006	280,698	29,160	43,586	685,382	772,804
Sets of switch ties placed in track	130	101	129	81	3	7	262	189

The table on the preceding page shows that during the current fiscal year the track has been fully maintained, and the general condition thereof substantially improved. Especial attention is called to the 65.7 miles of track ditched by the plow, and to the 21.7 miles of track laid with 75-pound steel rail.

Besides the work included in the foregoing table, other important work has been performed, such as widening narrow gauge embankments and cuts to standard width, reduction of grades, raising track where subject to overflow, etc.

The successful resistance of the high stages of water in the Mississippi river during the current fiscal year affords a practical demonstration of the beneficial results derived from the work of raising the track and otherwise improving the condition thereof in the districts subject to overflow. In January, 1898, there was a rise in the Mississippi river, the gauge at Cairo, Illinois, registering 44.3 feet above low water, and in April, 1898, another rise was experienced, in which the Cairo gauge registered 49.8 feet. Notwithstanding this high stage of water, which in former years would have caused a temporary abandonment of a portion of the track, no interruptions to traffic were caused in either instance, as all trains went through with very little delay, not a single car was held back nor diverted, and no casualty of any importance resulted.

From May 10th to 20th, 1898, the track in Arkansas on the Little Rock Branch, between Altheimer and England, and on the main line between Wabbaseca and Altheimer, was submerged by an overflow of the Arkansas river. During that period the regular passenger trains and two freight trains carrying live stock were detoured via the Little Rock and Memphis and the St. Louis, Iron Mountain & Southern Railways, but all other traffic was handled without inconvenience. The overflow in this district was unexpected, and the track will be raised and improved to prevent similar overflows in future as fast as the revenue of your company will justify the expenditure. The principal portion of the \$22,362.37 expended in protecting property and

repairing damages caused by high water (see page 20) was in connection with this overflow of the Arkansas river.

BRIDGE AND BUILDING DEPARTMENT.

The work of maintenance and renewals of bridges, trestles and other structures has been steadily carried on during the fiscal year ended June 30th, 1898. The following table furnishes the location and description of all permanent spans on June 30th, 1898:

BRIDGES—STATEMENT OF PERMANENT SPANS JUNE 30TH, 1898.

LOCATION.	Mile post.*	No. of spans.	Length, each.	Total length.	Kind of structure.	Class.†	Year built.
ST. LOUIS SOUTHWESTERN R'y Co.—			Feet.	Feet.			
St. Francis river	70	1	100	100	Plate girder draw . . .	A	1892
White river	214.6	1	355	—	Pin connected draw . . .	A	1892
" "	214.6	1	152	—	Pin connected truss . . .	X	1896
" "	214.6	1	87	594	Plate girder	X	1896
Arkansas river	261	1	65	—	Plate girder	A	1891
" "	261	1	428	—	Pin connected draw . . .	A	1891
" "	261	5	200	—	Pin connected truss . . .	A	1888
" "	261	1	100	1,593	Pin connected truss . . .	A	1891
Saline river	294.5	2	50	—	Plate girder	A	1890
" "	294.5	1	150	250	Pin connected truss . . .	A	1890
Moro river	302.7	1	80	80	Plate girder	A	1893
Ouachita river	335.9	1	290	290	Pin connected draw . . .	A	1891
Red river	396.8	1	300	—	Pin connected draw . . .	C	1883
" "	396.8	1	200	—	Pin connected truss . . .	A	1888
" "	396.8	1	62	562	Plate girder	B	1886
Backwater river	I 3	1	100	100	Pin connected truss . . .	A	1890
Whitewater river	I 8.2	1	140	140	Pin connected truss . . .	A	1890
Castor river	I 19.6	1	130	130	Pin connected truss . . .	A	1893
Total	—	23	—	3,839	—	—	—
ST. LOUIS SOUTHWESTERN R'y Co. OF TEXAS—							
Sabine river	526	1	152	152	Pin connected truss . . .	X	1896
Trinity river	599.3	1	200	200	Pin connected truss . . .	A	1890
Tehuacana river	669.8	1	95	95	Plate girder	A	1893
Brazos river	675.8	3	150	—	Pin connected truss . . .	B	1886
" "	675.8	2	54	558	Plate girder	B	1886
South Bosque river	687.5	1	150	150	Pin connected truss . . .	B	1892
Harris creek	689.5	1	70	70	Plate girder	A	1890
Leon river, 1st crossing	706.8	1	125	125	Pin connected truss . . .	B	1886
" " 2d crossing	711.5	1	125	125	Pin connected truss . . .	B	1886
Cedar creek	D-582.1	1	125	125	Pin connected truss . . .	B	1888
Choctaw creek	D-583.7	1	125	125	Pin connected truss . . .	B	1888
East Fork Trinity river	C-574.2	1	97	97	Plate girder	X	1894
Rowlett's creek	C-584.5	1	110	110	Pin connected truss . . .	X	1894
Spring creek	C-589.6	1	110	110	Pin connected truss . . .	X	1894
Frairie creek	C-591.5	1	80	80	Riveted girder	A	1890
White Rock creek	C-596.1	1	110	110	Pin connected truss . . .	X	1894
Richland creek	F-647.7	1	125	125	Pin connected truss . . .	A	1890
Total	—	20	—	2,357	—	—	—
ENTIRE SYSTEM	—	43	—	6,196	—	—	—

*NOTE.—Location of mile posts: without prefix, Main line; I, Delta branch; D, Sherman branch; C, Fort Worth branch; F, Hillsboro branch.

†NOTE.—Class A, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,000 pounds per linear foot.

Class B, sufficient to carry two consolidation engines coupled, followed by a rolling load of 2,240 pounds per linear foot.

Class C, sufficient to carry two mogul engines coupled, followed by a rolling load of 2,000 pounds per linear foot.

Class X, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,400 pounds per linear foot.

The drawspan which was erected across Red river at mile-post 397, main line in Arkansas, during the original construction of the road, being too light to safely carry the heavy locomotives hereafter to be placed in service, contract was let during the current fiscal year for the necessary beams, angles, etc., to strengthen it. This work is now well under way, and will be completed during the next fiscal year.

BRIDGES—STATEMENT OF TRESTLE BRIDGING.
JUNE 30TH, 1898.

LOCATION.	LENGTH.	
	In linear feet.	In miles.
ST. LOUIS SOUTHWESTERN R'Y Co.—		
Bird's Point incline	1,326	.25
Bird's Point section	26,849	5.08
Jonesboro section	33,995	6.44
Pine Bluff section	46,521	8.81
Delta branch	6,370	1.21
Little Rock branch	4,106	.78
Magnolia branch	1,167	.22
Shreveport branch	4,812	.91
Total	125,146	23.70
ST. LOUIS SOUTHWESTERN R'Y Co. OF TEXAS—		
Texarkana section	35,694	6.76
Tyler section	29,988	5.68
Waco section	4,344	.82
Ft. Worth branch	19,092	3.62
Sherman branch	19,828	3.76
Hillsboro branch	4,628	.87
Total	113,574	21.51
TYLER SOUTHEASTERN R'Y Co.—		
Tyler to Lufkin	13,412	2.54
ENTIRE SYSTEM, June 30th, 1898	252,132	47.75
ENTIRE SYSTEM, June 30th, 1897	254,387	48.18
Decrease, this year	2,255	.43

The decrease of 2,255 linear feet or .43 of a mile in total length of trestle bridging during the current fiscal year is the result of the continuation of the policy of filling up unnecessary trestles, and substituting culverts therefor. During the current fiscal year the trestles have been fully maintained. In renewing trestles cedar piling has been used wherever the grade lines have been fully established.

The following tables contain a summary, by roads, of the work of renewals and improvements (embracing completed structures

only) in the Bridge and Building Department for the fiscal year ended June 30th, 1898:

RENEWALS AND IMPROVEMENTS IN BRIDGE AND BUILDING DEPARTMENT (COMPLETED STRUCTURES ONLY), YEAR ENDED
JUNE 30TH, 1898.

ST. LOUIS SOUTHWESTERN R'Y CO.		Cost.
Arkansas river protection, M. P. 261 near Rob Roy, Ark.		\$21,458 59
New wooden trestles	16,191 Linear feet	67,083 53
Cast iron double culvert	54 Linear feet	396 14
Wrought iron cylinder culvert	1	184 35
Double tile drains	32 Linear feet	98 03
Single tile drains	280 Linear feet	557 74
Wire fence	13 Miles, 4,740 ft. of fence .	2,713 90
Farm gates	28	120 69
Yard fence	288 Linear feet	37 59
Station platforms (gravel)	42,766 Square feet	980 03
Station platforms (wood)	3,376 Square feet	307 30
Cotton platforms (wood)	16,864 Square feet	991 21
Overhead bridge at Gilkerson, Ark . . . . .	. . . . .	362 67
Station buildings	7	3,822 47
Station buildings (extensions)	4	2,691 83
Water closets	8	1,030 50
Station coal bins	10	308 46
Stock pens	7	756 41
Track scales	1	755 46
Cattle guards (wooden standard)	68	2,035 98
Cattle guards (steel)	49	1,659 00
Oil house	1	1,178 89
Tool house	1	90 17
Turn-table (wood)	1	354 92
Cinder pit	1	266 40
Car inspector's house	1	436 30
Water tanks	2	2,664 88
New water station at Bearden, Ark	1	2,164 89
Well pit	1	828 00
Well houses	2	494 98
Hose cart houses	5	123 75
Sewerage system at Pine Bluff shops . . . . .	. . . . .	1,806 07
Timber wall to protect track	3,240 Square feet	105 56
Mail cranes	4	58 69
Total, fiscal year ended June 30th, 1898		\$118,925 38
Total, fiscal year ended June 30th, 1897		136,581 32
Decrease this year		\$ 17,655 94

RENEWALS AND IMPROVEMENTS—Continued.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS.			Cost.
Howe truss span across Elm Fork cut-off	118	Linear feet	\$ 3,266 97
New wooden trestles	8,038	Linear feet	33,472 70
Culverts (iron)	208	Linear feet	1,537 40
Double tile drain	105	Linear feet	567 57
Single tile drain	504	Linear feet	1,029 51
Wire fence	142	Miles, 3,333 ft. of fence	14,488 09
Farm gates	218		1,407 86
Section house fence and walks			39 55
Woven wire fence at Tyler, Texas	8,500	Feet of fence	367 94
Station platforms (wood)	13,704	Square feet	992 59
Station platforms (gravel)	39,834	Square feet	1,205 90
Cotton platforms	30,120	Square feet	1,716 79
Cotton platform fence	496	Linear feet	112 01
Coal storage bin at Texarkana	1		834 98
Cattle guards (wooden standard)	48		1,226 44
Cattle guards (steel)	78		2,503 37
Stock pens	10		3,062 40
Saw-dust bins	3		80 38
Highway bridge	1		53 34
Station buildings (new, less insurance)	1		64 62
Station buildings (extensions)	5		5,543 23
New joint union passenger depot at Corsicana, Texas (½ cost)			7,502 52
Water closets	7		590 54
Station coal bins	4		139 80
Railroad crossing, watch house and gate	1		169 52
Train signal	1		22 39
Cinder pit	1		357 53
Car inspector's house	1		128 71
Sand houses	2		262 75
Tool houses	6		116 56
Road master's office (extension)	1		77 62
Hand car house	1		45 34
Paint shop (extension)	1		114 60
Warning signs	10		68 90
Water stations, tanks and tank frames	4		4,388 67
Wells	5		1,538 01
Cisterns	2		468 13
Water station coal bins	2		148 40
Pump houses	2		264 67
Well houses	1		11 16
Cistern houses	1		17 75
Excavations for additional water supply			4,763 81
Sewerage at Tyler, Tex.	224	Linear feet	69 72
Water car tubs	11		394 92
Total, fiscal year ended June 30th, 1898			\$ 95,235 66
Total, fiscal year ended June 30th, 1897			89,209 20
Increase this year			\$ 6,026 46
TYLER SOUTHEASTERN RY. CO.			Cost.
New wooden trestles	1,900	Linear feet	\$ 8,050 91
Cotton platforms	1,088	Square feet	76 08
Cattle guards (wooden standard)	5		90 54
Cattle guards (steel)	2		73 25
Stock pens	1		139 36
Station coal bins	4		53 58
Mail cranes	2		20 86
Total, fiscal year ended June 30th, 1898			\$ 8,504 58
Total, fiscal year ended June 30th, 1897			3,683 91
Increase this year			\$ 4,820 67
ENTIRE SYSTEM.			
Total, fiscal year ended June 30th, 1898			\$222,665 62
Total, fiscal year ended June 30th, 1897			229,474 43
Decrease this year			\$ 6,808 81

During the current fiscal year the work of maintenance has been fully kept up by the bridge and building department and many valuable improvements have been made, as may be seen by an examination of the foregoing tables.

The replacement of plank station platforms by gravel platforms has been continued during the current fiscal year; 42,766 square feet of gravel platform having been constructed on the line of the St. Louis Southwestern Railway Company, and 39,834 square feet on the line of the St. Louis Southwestern Railway Company of Texas during the year ended June 30th, 1898.

Since the completion of the new water system at the company shops at Pine Bluff, Arkansas, several incipient fires have been handled and extinguished with practically no loss or damage to company property, thus proving the efficiency of this water system for the protection of the property of the company from fire. The sanitary sewerage system at the company shops at Pine Bluff has also been completed, which has added greatly to the healthfulness of this important division terminal.

The reservoirs at Mt. Pleasant and Hubbard City were excavated and cleaned out to increase their capacity, and a second pond was constructed at Commerce, which will largely increase the water supply in Texas, which at times has been inadequate. The total cost of the improvements at these three points was \$4,763.81.

The threatening condition of the Arkansas river at the point at which the main line crosses it (mile post 261 near Rob Roy) made it necessary to mattress and revet the bank on the north shore. This work was successfully accomplished during the current fiscal year at a cost of \$21,458.59, and although there has been extreme high water in the Arkansas river since this work has been completed, the caving of the bank has entirely stopped.

ENGINEERING DEPARTMENT.

During the fiscal year ended June 30th, 1898, designs for various structures, improvement of grade lines and alignments, terminal yard plans, station facilities, water service systems, improvement of river crossings, etc., have been completed, and form valuable additions to the permanent records of this department.

IMPORTANT ENGINEERING WORK PERFORMED.

The following engineering work has been performed during the current fiscal year, in addition to that mentioned elsewhere in this report in connection with improvements and maintenance of the road and bridge and building departments:

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

SECTION.	CHARACTER OF WORK PERFORMED.
BIRD'S POINT	Improvement in St. John's bayou bottom, miles 19 to 26, inclusive, main line in Missouri: In this bottom the track has heretofore been subject to overflow, but during the current fiscal year the embankments have been widened, the track raised and ballasted, and the trestles adjusted to the new grade lines. Trestle No. 39, and 400 feet of trestle No. 41 have been filled in. Trestles Nos. 37, 38, and 40, have each been extended, the total extension of these three trestles being 400 feet. The track in this bottom is now of a sufficient height to prevent overflow except when the water in the Mississippi river registers higher than 49.3 feet above low water mark on the gauge at Cairo, Illinois.
PINE BLUFF	New Steel: Corrected grade lines have been established, the embankments are being widened, and the roadbed otherwise prepared for laying new 75-pound steel rail between mile posts 269 and 279 on the main line in Arkansas. Revision of grade on Kingsland hill, miles 300 to 302, inclusive: The grade on this hill has been reduced from 69.7 feet to 52.8 feet per mile compensation for curvature. The curvature has been reduced from 249° 55' to 62° 14', the maximum degree of curvature being reduced from 5° to 4°. Four curves were thrown out entirely.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY—*Continued.*

PINE BLUFF	Increased yard facilities at Stamps, Arkansas, mile post 384: In order to accommodate the additional business interchanged with the Louisiana & Arkansas Railroad at Stamps, a complete passing track, 3,950 feet long has been put in, with track scales located thereon, and a cross-over connection on the main track near the scales. The loading track for the Bodcaw Lumber Company has also been extended 380 feet to handle the increased business.
SHREVEPORT	Additional yard facilities at Shreveport, La.: The increased business at this point has made it necessary to construct new tracks, and to revise and extend the old tracks. Plans for these improvements were drawn, and the work was well under way at the close of the current fiscal year.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

SECTION.	CHARACTER OF WORK PERFORMED.
TEXARKANA	<p>Enlargement and revision of the yard at Mt. Pleasant, Texas, mile post 479: A new design for enlarging and revising the yard at this point has been planned, and the grading has been completed preparatory to laying the tracks. Plans for improving the drainage of the yard have also been approved, and the work will be commenced within the next few months. A "Y" track 1,385 feet long, connecting the main line and Sherman Branch, has been constructed.</p> <p>Motive Power Yard at Tyler, Texas, mile post 546: The general design for the construction of this yard has been continued during the current fiscal year. A good substantial 20 stall roundhouse, a two-story brick store-room and office building, a 66 foot steel turntable, a large shed for repairing cars, a high pressure water tank, and additional tracks for the repair yard, have been commenced, and were in course of construction at the close of the current fiscal year.</p>
FORT WORTH	Improvements at Commerce, Texas, mile post C-536: Additional ground has been purchased, and another and stronger dam constructed, and the pond excavated, more than doubling the supply for water capacity at this station.

MOTIVE POWER AND CAR DEPARTMENT.

Complete information showing your company's equipment on hand at the beginning and close of the current fiscal year, with changes therein during the year, and the operations of the motive power and car department for the current fiscal year compared with the preceding fiscal year, will be found in the tables immediately following:

STATEMENT OF EQUIPMENT—ENTIRE SYSTEM.

CLASS.	On hand June 30, 1897.	Changes during year.					On hand June 30, 1898.
		Purchased.	Built and rebuilt.	Leased.	Destroyed.	Sold.	
LOCOMOTIVES—							
Standard gauge . . .	134	—	—	—	—	4	130
Narrow gauge	2	—	—	—	—	2	—
Total	136	—	—	—	—	6	130
PASSENGER CARS—							
Official	4	—	—	—	—	1	3
Chair	9	—	—	—	—	—	9
Coaches	52	—	1	—	—	3	50
Combination	3	—	—	—	—	1	2
Baggage and express.	8	—	—	—	—	—	8
Mail and express . .	19	—	2	—	2	1	18
Mail	4	—	—	—	—	—	4
Total	99	—	3	—	2	6	94
FREIGHT CARS—							
Refrigerator	25	—	—	—	—	—	25
Furniture	125	—	31	—	6	—	150
Caboose	72	—	1	—	—	2	71
Box	2,538	300	57	—	23	10	2,862
Stock	295	—	3	500	14	—	784
Flat	773	—	18	—	21	44	726
Tank	—	—	4	—	—	—	4
Coal	501	—	7	—	6	2	500
Cinder cars	11	—	—	—	—	—	11
Derricks	5	—	2	—	—	—	7
Steam shovels	2	—	—	—	—	—	2
Ditching plow	1	—	—	—	—	—	1
Plow cars	1	—	—	—	—	—	1
Pile driver cars	4	—	—	—	—	—	4
Total	4,353	300	123	500	70	58	5,148

STATEMENT OF NEW EQUIPMENT PURCHASED AND EQUIPMENT BUILT AND REBUILT AT COMPANY SHOPS.

YEAR ENDED JUNE 30TH, 1898.

CLASS OF EQUIPMENT.	New Equipment purchased.		Additional equipment built, charged to equipment account (New).		*Equipment rebuilt to replace cars wrecked and destroyed and condemned equipment put in service.		TOTAL.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
Coaches	—	—	—	—	1	\$ 3,944 53	1	\$ 3,944 53
Mail and express cars	—	—	—	—	2	5,534 05	2	5,534 05
Furniture cars	—	—	—	—	31	17,555 70	31	17,555 70
Box cars	300	\$160,147 35	—	—	57	29,968 31	357	190,115 66
Stock cars	—	—	—	—	3	1,292 07	3	1,292 07
Coal cars	—	—	—	—	7	2,858 73	7	2,858 73
Flat cars	—	—	—	—	18	5,562 60	18	5,562 60
Tank cars	—	—	4	\$3,125 74	—	—	4	3,125 74
Cabooses	—	—	—	—	1	481 11	1	481 11
Derricks	—	—	—	—	2	350 73	2	350 73
Total	300	\$160,147 35	4	\$3,125 74	122	\$67,547 83	426	\$230,820 92

* The cost of equipment rebuilt to the extent of the value of same at time of destruction, according to M. C. B. rules, has been charged to "Equipment Replacement Fund," as such value was credited to that fund for rebuilding purposes when the cars were destroyed.

REPAIRS AND MAINTENANCE OF EQUIPMENT—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1898.		Year ended June 30, 1897.		Increase.		Decrease.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
LOCOMOTIVES.								
Running repairs	1,332	\$63,585 57	1,304	\$63,986 59	28	—	—	\$ 401 02
Light repairs	103	13,748 05	125	16,514 77	—	—	22	2,766 72
Heavy repairs	53	28,467 88	31	22,637 95	22	\$ 5,829 93	—	—
General repairs	47	46,219 33	39	41,428 62	8	4,790 71	—	—
Rebuilding	2	12,117 00	8	24,475 51	—	—	6	12,358 51
Total	1,537	\$164,137 83	1,507	\$169,043 44	30	—	—	\$ 4,905 61
PASSENGER CARS.								
Running repairs	747	\$12,196 91	734	\$10,387 67	13	\$ 1,809 24	—	—
Light repairs	136	12,840 19	115	10,452 54	21	2,387 65	—	—
Heavy repairs	37	13,757 30	33	11,156 95	4	2,600 35	—	—
General repairs	2	6,494 32	2	1,542 86	—	4,951 46	—	—
Rebuilding	3	4,379 52	4	7,118 11	—	—	1	\$ 2,738 59
Total	925	\$49,668 24	888	\$40,658 13	37	\$ 9,010 11	—	—
FREIGHT CARS.								
Running repairs	46,751	\$132,280 77	46,811	\$125,205 22	—	\$ 7,075 55	60	—
Light repairs	1,383	20,495 09	1,388	21,637 10	—	—	5	\$ 1,142 01
Heavy repairs	691	28,028 38	604	26,708 02	87	1,320 36	—	—
General repairs	318	25,305 94	271	20,882 14	47	4,423 80	—	—
Rebuilding	317	46,809 40	284	30,279 90	33	16,529 50	—	—
Total	49,460	\$252,919 58	49,358	\$224,712 38	102	\$ 28,207 20	—	—
Entire Cost	51,922	\$466,725 65	51,753	\$434,413 95	169	\$ 32,311 70	—	—

**CONDITION OF EQUIPMENT BY MONTHS DURING THE YEAR—
ENTIRE SYSTEM.**

MONTHS ENDED.	LOCOMOTIVES.		PASSENGER CARS.	
	Number requiring repairs.	Estimated cost of repairs required.	Number requiring repairs.	Estimated cost of repairs required.
July 1, 1897	37	\$29,050 00	37	\$3,625 00
July 31, 1897	31	16,420 00	53	8,185 00
August 31, 1897	28	20,950 00	46	7,350 00
September 30, 1897	21	19,600 00	43	7,230 00
October 31, 1897	24	22,550 00	53	7,890 00
November 30, 1897	30	27,700 00	49	7,965 00
December 31, 1897	38	26,400 00	39	6,750 00
January 31, 1898	36	25 525 00	38	6,675 00
February 28, 1898	37	18,775 00	36	6,170 00
March 31, 1898	33	22,550 00	37	6,275 00
April 30, 1898	33	19,755 00	39	6,200 00
May 31, 1898	28	48,080 00	38	6,170 00
June 30, 1898	53	71,200 00	40	6,175 00

MONTHS ENDED.	FREIGHT CARS.				
	Number owned and leased.	Bad order.		In service.	
		Number.	Per cent.	Number.	Per cent.
July 1, 1897	4,353	134	3.07	4,219	96.93
July 31, 1897	4,352	136	3.13	4,216	96.87
August 31, 1897	4,356	163	3.74	4,193	96.26
September 30, 1897	4,360	144	3.30	4,216	96.70
October 31, 1897	4,502	128	2.84	4,374	97.16
November 30, 1897	4,538	106	2.34	4,432	97.66
December 31, 1897	4,634	143	3.09	4,491	96.91
January 31, 1898	4,638	157	3.38	4,481	96.62
February 28, 1898	4,646	108	2.32	4,538	97.68
March 31, 1898	4,647	118	2.54	4,529	97.46
April 30, 1898	4,644	145	3.12	4,499	96.88
May 31, 1898	4,648	157	3.38	4,491	96.62
June 30, 1898	5,148	151	2.93	4,997	97.07

**PERFORMANCE AND COST OF OPERATING LOCOMOTIVES—
ENTIRE SYSTEM.**

ITEM.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.	Decrease.
MILEAGE—				
Passenger (includes $\frac{1}{4}$ of mixed)	1,477,639	1,484,360	—	6,721
Freight (includes $\frac{3}{4}$ of mixed) . .	2,169,415	2,017,779	151,636	—
Switch	847,865	792,875	54,990	—
Work	211,255	178,558	32,697	—
Other service	94,776	86,097	8,679	—
Total	4,800,950	4,559,669	241,281	—
SUPPLIES USED—				
Tons of coal	172,626	153,823	18,803	—
Pints of lubricating oil	282,148	259,717	22,431	—
Pints of all oil	404,434	381,621	22,813	—
Pounds of waste	40,061	35,393	4,668	—
MILES RUN—				
Per ton of coal	27.81	29.64	—	1.83
Per pint of lubricating oil	17.02	17.56	—	.54
Per pint of all oil	11.87	11.95	—	.08
Per pound of waste	119.84	128.80	—	8.96
COST OF OPERATING—				
Repairs	\$164,137 83	\$169,043 44	—	\$4,905 61
Stores (oil and waste)	11,471 53	11,944 47	—	472 94
Fuel (including cost of handling)	339,340 65	299,464 44	\$39,876 21	—
Engineers and firemen	293,678 65	279,590 37	14,088 28	—
Wiping and dispatching	51,424 65	50,436 24	988 41	—
Other motive power accounts . .	4,567 70	3,558 63	1,009.07	—
Total	\$864,621 01	\$814,037 59	\$50,583 42	—
AVERAGE COST PER ENGINE MILE—				
Repairs	\$0 0342	\$0 0371	—	\$0 0029
Stores (oil and waste)	0 0024	0 0026	—	0 0002
Fuel (including cost of handling)	0 0707	0 0657	\$0 0050	—
Engineers and firemen	0 0611	0 0613	—	0 0002
Wiping and dispatching	0 0107	0 0111	—	0 0004
Other motive power accounts . .	0 0010	0 0008	0 0002	—
Total	\$0 1801	\$0 1786	\$0 0015	—
Average number of engines in service monthly	120	116	4	—
Average monthly mileage per engine	3,334	3,275	59	—

Special attention is directed to the statement of equipment on page 59, from which it will be seen that the two narrow gauge locomotives that were on hand at the close of the preceding fiscal year have been sold, and also four standard gauge locomotives, reducing the total number of locomotives from 136 to 130.

One official car, one combination car, three coaches, and one mail and express car have been sold, and two mail and express cars dismantled on account of their age. One coach and two mail and express cars have been built. These changes reduced the number of passenger cars from 99 to 94.

The total number of freight cars has been increased from 4,353 to 5,148, caused principally by the purchase of 300 60,000-pound capacity box cars with air brakes and the safety appliances required by law, and the lease of 500 stable cars from the Mather Humane Stock Transportation Co. It will also be noted that 123 new freight cars, which are modern in every respect, have been built by your company to replace cars previously destroyed or dismantled, 58 cars have been sold, and 70 cars destroyed. The greater portion of the cars that are shown as destroyed consisted of old narrow gauge (widened to standard) freight cars which have been dismantled in the yards at Pine Bluff and Tyler, to be replaced by new modern freight cars.

The work of equipping freight cars with air brakes and the automatic appliances required by law is progressing favorably, and it is believed that a continuation of the rate of progress that has been made in this work during the past six months will place the equipment of your company in a condition to fully comply with the law by January 1st, 1900.

During the current fiscal year six new heavy freight locomotives were ordered, which will be delivered by the time this report is published. Their use will reduce the cost of transportation by increasing the average number of tons hauled per train.

During the current fiscal year a decided improvement has been made in the store room and shop facilities at Tyler, but the additional store room facilities at Pine Bluff are still very much needed.

FUEL SUPPLY.

COAL.

COMPARATIVE STATEMENT OF COAL PURCHASED AND CONSUMED DURING YEARS ENDED JUNE 30TH, 1898-1897.

ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1898.	Year ended June 30, 1897.	In- crease.	De- crease.
PURCHASED—				
Number of tons purchased	182,524	161,066	21,458	—
Total cost of coal purchased, ex- cluding company freight	\$326,657 18	\$280,536 41	\$46,120 77	—
Amount of company freight in- cluded in cost of coal purchased	8,746 84	6,539 04	2,207 80	—
Total cost of coal purchased, in- cluding company freight	335,404 02	287,075 45	48,328 57	—
Average cost of coal per ton, ex- cluding company freight	1 79	1 74	0 05	—
Average cost of coal per ton de- livered on line, including com- pany freight	1 84	1 78	0 06	—
CONSUMED—				
Number of tons consumed	178,512	163,460	15,052	—
Total cost of coal consumed, ex- cluding expense of handling . .	\$329,586 77	\$290,968 24	\$38,618 53	—
Total expense of handling coal consumed	23,267 13	21,366 68	1,900 45	—
Average expense per ton of hand- ling coal consumed	0.1303	0.1307	—	0.0004
Total cost of coal consumed includ- ing expense of handling	352,853 90	312,334 92	40,518 98	—
Average cost of coal consumed per ton, including expense of hand- ling	1 98	1 91	0 07	—

The average cost of coal per ton delivered on line, including company freight, shows an increase of 6 cents per ton, which is due principally to the increase in the quantity of coal purchased from the Arkansas mines, the price of which is greater than the

price of Illinois coal F. O. B. Cairo, which resulted in a reduction in the quantity of coal purchased from the Illinois mines; however, by purchasing more coal from the Arkansas mines, contiguous to the portion of the line on which it is used, the expense of the long haul of Illinois coal through from Cairo is avoided, and your company is thereby enabled to obtain better service from its coal cars.

The average expense per ton of handling coal consumed during the current fiscal year, shows a slight decrease as compared with the preceding fiscal year.

WOOD.

During the fiscal year ended June 30th, 1898, 2,283 cords of wood were purchased at a total cost of \$2,988.44, or an average of \$1.31 per cord. During the preceding fiscal year, 2,341 cords were purchased at a total cost of \$2,732.42, or an average of \$1.17 per cord.

OIL.

Just before the close of the current fiscal year, an experiment was made in using the crude oil from the oil wells at Corsicana, Texas, for fuel for the locomotive used in hauling passenger trains between Corsicana and Hillsboro, which proved satisfactory, and arrangements have been made to continue to use oil in that locomotive, and also in the switch locomotive at Corsicana. As soon as necessary arrangements can be made, oil will also be used for fuel in some of the stationary engines in the Tyler, Texas, shops.

TELEGRAPH DEPARTMENT.

The mileage of telegraph lines and wires operated, and the expense of operation and repairs in this department for the fiscal year ended June 30th, 1898, as compared with the preceding fiscal year, are shown in the following table:

DESCRIPTION OF LINES—ENTIRE SYSTEM.

MILEAGE.	Year ended June 30, 1898.	Year ended June 30, 1897.	Increase.
Miles of railroad	1,223.0	1,223.0	—
Miles of wire owned by this company (on poles owned by W. U. Tel. Co.)	1,074.0	1,074.0	—
Miles of wire owned by Western Union Tel. Co.	2,854.0	2,838.0	16.0

EXPENSES—ENTIRE SYSTEM.

NATURE OF EXPENSE.	Year ended June 30, 1898.	Year ended June 30, 1897.	In- crease.	Per cent.	De- crease.	Per cent.
Salaries of telegraph operators . . .	\$54,396 63	\$51,490 40	\$2,906 23	5.64	—	—
Supplies used by operators	357 53	995 13	—	—	\$637 60	64.07
Repairs of telegraph line	5,171 70	5,528 87	—	—	357 17	6.46
Total	\$59,925 86	\$58,014 40	\$1,911 46	3.29	—	—

The telegraph wires are operated jointly by the Western Union Telegraph Co. and your company.

During the current fiscal year sixteen miles of new wire have been erected between Commerce, Texas, and Greenville, Texas, by the Western Union Telegraph Co. for the exclusive use of that company.

HOSPITAL SERVICE.

The hospital at Tyler, Texas, has been efficiently managed during the current fiscal year, under the direction of Dr. C. A. Smith, Chief Surgeon. The institution continues self-sustaining, the contributions from employes covering all expenses.

The following brief summary shows the operations of this department for the fiscal year, ended June 30th, 1898, compared with the preceding fiscal year:

EMPLOYES RECEIVING HOSPITAL BENEFITS, ETC. ENTIRE SYSTEM.

DESCRIPTION.	June 30, 1898.	June 30, 1897.	Increase.	Decrease
Patients in hospital at the beginning of year	52	70	—	18
Patients admitted during the year	1,649	1,669	—	20
Total	1,701	1,739	—	38
Number discharged	1,628	1,680	—	52
Number of deaths	14	7	7	—
Patients remaining in hospital at the close of year	59	52	7	—
Total	1,701	1,739	—	38
Number of dispensary cases treated in St. Louis, Cairo, Jonesboro, Pine Bluff, Waco and Tyler	8,160	7,148	1,012	—
Total number of employes receiving hospital benefits	9,861	8,887	974	—
Per cent. of deaths to number of cases treated in the hospital	0.8	0.4	0.4	—

During the current fiscal year there were fourteen deaths at the hospital, all of them being due to diseases of various kinds,

and none in connection with the 406 surgical cases treated at the hospital during the year.

The improvements in the plant mentioned in the Sixth Annual Report, page 69, were completed during the early part of the current fiscal year, and the great assistance that has thereby been rendered to the hospital service demonstrates the fact that the money paid for these improvements was judiciously spent.

CONCLUSION.

Attention is directed to the appendix to this report in which will be found comparative statistics pertaining to the operation of your property in the past ten years, and income and financial exhibits for each of the separate corporations forming your system of railways for the fiscal year ended June 30th, 1898.

With their accustomed fidelity and intelligence the officers and employes generally have seconded the efforts of the management in behalf of your company, and it is a pleasure to acknowledge that to them is due a large share of credit for the improved results in the several departments.

For the Board of Directors,

S. W. FORDYCE,

President.

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Comparative Statistics.

I.

GROSS EARNINGS BY MONTHS

FOR TEN YEARS ENDED JUNE 30TH, 1898—ENTIRE SYSTEM.

Miles operated	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0
MONTHS.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.
July	\$227,185 56	\$271,562 08	\$307,325 18	\$324,298 18	\$354,601 61	\$320,026 35	\$275,797 70	\$321,298 23	\$340,513 16	\$334,712 74
August	281,109 03	336,852 61	363,236 99	349,459 69	400,501 81	314,563 31	369,235 53	384,948 33	343,902 68	379,565 69
September	296,288 22	388,583 27	386,613 27	447,131 11	422,729 36	370,213 03	419,107 34	429,993 14	460,410 91	489,700 78
October	333,716 55	526,305 37	490,964 07	577,267 39	499,771 72	551,772 52	632,658 83	581,411 51	551,989 76	606,659 82
November	333,867 73	470,882 71	423,640 50	505,755 47	483,181 59	560,788 30	611,579 10	496,692 89	479,736 04	559,331 06
December	364,939 84	502,859 68	466,675 64	480,582 10	532,079 71	528,278 31	556,681 55	510,026 42	526,580 75	502,800 56
January	274,639 75	375,619 94	350,257 77	351,874 29	435,902 80	365,846 06	454,461 23	438,250 37	390,739 02	478,493 51
February	256,538 27	305,244 13	347,040 49	371,799 21	421,309 29	338,179 52	392,613 07	419,119 45	366,588 66	461,857 78
March	248,017 76	270,911 48	336,418 32	331,973 06	444,082 75	364,510 78	399,382 59	361,841 41	337,851 04	420,077 18
April	225,467 82	259,872 69	287,949 84	302,678 41	411,625 08	325,194 01	355,762 02	329,438 44	326,735 18	360,100 74
May	241,164 77	290,927 39	285,374 21	303,382 48	368,900 01	295,704 99	363,996 30	310,456 12	315,932 54	350,597 87
June	242,902 73	262,292 02	276,044 84	292,042 73	341,394 52	280,067 02	365,899 31	321,013 55	302,566 69	335,440 09
Total	\$3,377,838 03	\$4,261,913 37	\$4,321,541 12	\$4,638,244 12	\$5,116,080 25	\$4,615,144 20	\$5,217,174 57	\$4,904,489 86	\$4,743,546 43	\$5,279,332 82

II.

OPERATING EXPENSES (INCLUDING BETTERMENTS) BY MONTHS

FOR TEN YEARS ENDED JUNE 30TH, 1898—ENTIRE SYSTEM.

MONTHS.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.
July	\$268,005 81	\$213,636 22	\$391,866 86	\$296,154 97	\$321,182 48	\$326,265 35	\$251,416 72	\$330,765 80	\$310,158 90	\$313,243 07
August	391,428 03	273,167 79	435,893 60	307,242 86	329,611 35	296,018 35	293,206 49	369,288 20	305,686 44	336,552 05
September	354,923 07	275,673 26	457,372 22	324,218 42	345,822 80	325,068 92	329,878 30	355,317 70	328,776 01	336,394 38
October	332,419 42	327,715 35	458,578 19	344,286 45	372,650 80	347,926 63	349,305 75	385,002 35	352,171 64	363,128 49
November	357,326 20	390,718 64	491,423 20	365,452 65	345,638 17	368,867 41	371,406 80	364,062 73	349,183 68	355,809 85
December	296,190 18	412,154 08	454,983 05	326,273 76	351,817 56	364,409 28	352,112 92	353,638 69	333,637 30	340,678 30
January	279,280 66	376,143 21	397,411 95	345,876 15	342,799 14	328,979 55	317,968 58	356,731 95	333,946 92	352,995 51
February	251,190 16	362,250 09	383,419 09	319,060 32	382,080 88	323,707 58	323,266 26	344,129 47	316,943 57	351,112 81
March	216,752 64	313,197 91	363,245 10	285,258 03	382,773 61	306,640 76	317,689 28	334,372 02	308,081 70	362,050 77
April	208,521 70	346,374 66	341,447 68	297,324 75	403,469 21	324,408 07	340,503 69	316,524 39	303,440 74	376,605 27
May	239,683 37	373,459 09	322,235 02	296,765 42	363,432 47	289,903 22	347,544 55	320,386 63	308,796 44	343,342 45
June	208,794 81	370,960 79	339,664 91	318,162 87	340,553 95	271,583 07	382,921 75	301,954 61	305,064 90	341,314 67
Total	\$3,404,516 05	\$4,035,451 09	\$4,847,540 87	\$3,826,076 65	\$4,281,832 87	\$3,873,778 14	\$3,977,221 09	\$4,132,374 54	\$3,855,888 24	\$4,173,327 62

NOTE.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Cos. and the Receivers thereof. The expenditures for betterments during the receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

III.

NET EARNINGS BY MONTHS

FOR TEN YEARS ENDED JUNE 30TH, 1898—ENTIRE SYSTEM.

Miles operated	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0
MONTHS.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.
July	\$ 40,800 25	\$ 57,925 86	\$ 84,541 68	\$ 28,143 21	\$ 33,419 13	\$ 6,238 95	\$ 24,380 98	\$ 9,467 57	\$ 30,354 26
August	110,319 00	63,684 82	122,216 83	42,216 83	70,890 01	18,544 96	76,029 04	15,660 13	38,216 24
September	58,634 88	112,910 01	122,912 69	76,906 56	70,890 01	45,144 11	89,229 04	74,475 44	131,634 90
October	51,297 13	198,590 02	32,385 88	232,980 94	127,120 92	203,845 89	303,353 08	196,409 16	199,818 12
November	21,458 47	80,164 07	67,782 70	140,302 82	137,543 42	191,920 89	240,172 30	132,630 16	130,552 36
December	68,749 66	90,705 60	11,692 59	154,308 34	180,262 15	163,869 03	204,568 63	156,387 73	192,943 45
January	4,640 91	573 37	47,154 18	93,103 66	93,103 66	36,866 51	136,492 65	81,518 42	56,792 10
February	5,348 11	57,008 56	38,170 68	52,738 89	39,228 41	14,471 94	69,346 81	74,989 98	49,645 09
March	31,265 12	49,208 43	78,253 70	46,715 03	61,309 14	57,870 71	81,693 31	27,469 39	29,769 34
April	16,946 12	88,521 97	153,297 64	5,353 66	8,155 87	7,785 25	15,258 33	12,914 05	23,294 44
May	1,481 46	108,530 77	83,680 07	6,617 06	5,467 57	5,801 77	16,451 75	9,838 51	7,136 10
June	34,107 92	108,530 77	83,680 07	28,120 14	840 57	8,483 95	17,622 44	19,058 94	2,488 21
Total	\$25,578 02	\$226,462 28	\$525,988 75	\$812,167 47	\$834,247 38	\$741,366 06	\$1,239,953 48	\$772,115 32	\$887,658 19
									\$1,106,005 20

NOTE.—Heavy-faced type denotes deficit.

IV.

BETTERMENTS (INCLUDED IN OPERATING EXPENSES) BY MONTHS

FOR TEN YEARS ENDED JUNE 30TH, 1898—ENTIRE SYSTEM.

Miles operated	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0
MONTHS.	Year ended June 30, 1889.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.
July	\$ 28,084 58	\$ 6,410 97	\$105,977 24	\$ 14,233 32	\$ 5,821 59	\$ 12,449 74	\$ 2,470 35	\$ 17,897 02	\$ 11,955 38
August	106,594 56	15,537 73	130,217 73	5,425 10	12,187 11	9,270 84	6,797 15	24,094 24	10,237 98
September	50,793 44	20,820 73	135,989 30	12,783 29	14,273 32	22,056 61	26,575 33	27,166 58	15,688 59
October	42,856 25	44,060 98	121,822 84	13,083 61	31,011 67	7,247 99	7,503 94	22,118 50	16,682 48
November	45,979 39	69,881 33	162,516 34	13,534 09	8,387 78	7,864 46	15,060 39	17,700 21	7,177 49
December	39,591 21	99,898 73	142,165 81	3,430 31	15,938 67	7,566 91	16,313 48	31,396 12	2,092 49
January	6,377 85	101,542 44	72,846 23	34,794 14	9,622 78	6,175 30	10,463 97	20,305 37	7,822 67
February	15,677 51	88,966 51	66,220 34	16,425 21	17,660 45	8,548 35	10,350 83	10,968 22	13,280 07
March	3,810 03	60,914 65	41,018 92	3,819 47	23,706 44	8,197 14	11,162 50	7,481 58	4,873 11
April	5,554 76	98,208 57	35,495 09	4,282 55	20,532 95	11,219 94	15,610 74	11,428 39	4,941 98
May	29,728 83	83,754 29	22,206 17	5	10,412 92	6,386 92	20,191 98	6,886 82	10,660 46
June	6,202 74	99,160 68	52,683 82	5,431 62	13,106 28	6,413 78	54,585 67	13,451 87	8,131 68
Total	\$381,221 15	\$786,157 61	\$1,089,159 83	\$129,266 71	\$182,665 06	\$ 113,547 81	\$197,086 33	\$210,894 92	\$113,544 38
									\$32,809 88

NOTE.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Cos. and the Receivers thereof. The expenditures for betterments during the receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

I.
GROSS EARNINGS BY MONTHS
FOR TEN YEARS ENDED JUNE 30TH, 1898—ENTIRE SYSTEM.

Miles operated	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0
MONTHS.	Year ended June 30, 1889.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.
July	\$271,562 08	\$307,325 18	\$324,298 18	\$354,601 61	\$320,026 35	\$275,797 70	\$321,298 23	\$340,513 16	\$334,712 74
August	281,109 03	336,852 61	349,459 69	400,501 81	314,563 31	369,235 53	384,048 33	343,902 68	379,565 69
September	296,288 22	388,583 27	447,131 11	422,729 36	370,213 03	419,107 34	429,993 14	460,410 91	489,700 78
October	333,716 55	526,305 37	577,267 39	499,771 72	551,772 52	652,658 83	581,411 51	551,989 76	606,659 82
November	335,867 73	470,882 71	505,755 47	483,181 59	560,788 30	611,579 10	496,692 89	479,736 04	559,331 06
December	364,939 84	502,859 68	480,582 10	532,079 71	528,278 31	556,681 55	510,026 42	526,580 75	502,800 56
January	274,639 75	375,619 94	350,257 77	435,902 80	365,846 06	454,461 23	438,250 37	390,739 02	478,493 51
February	256,538 27	305,244 13	347,040 49	421,309 29	338,179 52	392,613 07	419,119 45	366,588 66	461,857 78
March	248,017 76	270,911 48	336,418 32	444,082 75	364,510 78	399,382 59	361,941 41	337,851 04	420,072 18
April	225,467 82	259,872 69	287,949 84	368,900 01	325,194 01	355,762 02	329,438 44	326,735 18	360,100 74
May	241,164 77	290,927 39	303,382 48	368,900 01	295,704 99	363,996 30	310,456 12	315,932 54	350,597 87
June	242,902 73	262,292 02	292,042 73	341,394 52	280,067 02	365,899 31	321,013 55	302,566 69	335,440 09
Total	\$3,377,838 03	\$4,321,541 12	\$4,638,244 12	\$5,116,080 25	\$4,615,144 20	\$5,217,174 57	\$4,904,489 86	\$4,743,546 43	\$5,279,332 82

II.
OPERATING EXPENSES (INCLUDING BETTERMENTS) BY MONTHS
FOR TEN YEARS ENDED JUNE 30TH, 1898—ENTIRE SYSTEM.

Miles operated	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0
MONTHS.	Year ended June 30, 1889.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.
July	\$268,005 81	\$213,636 22	\$273,167 79	\$321,182 48	\$326,265 30	\$251,416 72	\$320,765 80	\$310,158 90	\$313,243 07
August	391,428 03	273,673 26	307,242 86	329,611 80	296,018 35	329,206 49	369,288 20	305,686 44	336,632 05
September	354,923 07	275,673 26	467,372 22	345,822 80	325,068 92	329,878 30	355,517 70	328,776 01	336,394 38
October	332,419 42	327,715 35	448,286 45	372,650 80	347,926 63	349,305 75	385,002 35	352,171 64	363,128 49
November	357,326 20	390,718 64	491,423 20	345,638 17	368,967 41	371,406 80	364,062 73	349,183 68	353,899 85
December	296,190 18	412,154 08	454,983 05	351,817 56	364,409 28	352,112 92	353,638 69	333,637 30	340,678 30
January	279,280 66	376,143 21	397,411 95	342,799 14	328,979 55	317,968 58	356,731 95	333,946 92	352,995 51
February	251,190 16	362,250 09	383,419 09	382,080 88	323,707 58	323,266 26	344,129 47	316,943 57	351,112 81
March	216,752 64	313,197 91	285,258 03	382,773 31	306,640 70	371,689 28	334,372 02	308,081 70	362,050 77
April	208,521 70	346,374 66	341,447 68	403,469 21	324,408 76	340,503 69	316,524 39	303,440 74	376,605 77
May	239,683 37	373,459 09	322,235 02	263,432 47	289,903 22	347,544 55	320,386 63	308,796 44	343,342 45
June	208,794 81	370,960 79	318,162 87	340,553 95	271,583 07	382,921 75	301,954 61	305,064 90	341,314 67
Total	\$3,404,516 05	\$4,035,451 09	\$4,847,540 87	\$4,281,832 87	\$3,873,778 14	\$5,977,221 09	\$4,132,374 54	\$3,855,888 24	\$4,173,327 62

NOTE.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Cos. and the Receivers thereof. The expenditures for betterments during the receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

III.

NET EARNINGS BY MONTHS

FOR TEN YEARS ENDED JUNE 30TH, 1898—ENTIRE SYSTEM.

Months.	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0
Years ended	June 30, 1889.	June 30, 1890.	June 30, 1891.	June 30, 1892.	June 30, 1893.	June 30, 1894.	June 30, 1895.	June 30, 1896.	June 30, 1897.	June 30, 1898.	June 30, 1898.	June 30, 1898.
July	\$ 40,920 25	\$ 57,925 86	\$ 84,541 68	\$ 28,143 21	\$ 33,419 13	\$ 6,233 05	\$ 24,380 98	\$ 9,467 57	\$ 30,354 26	\$ 21,469 67	\$ 21,469 67	\$ 21,469 67
August	10,213 00	63,684 82	78,755 91	42,216 83	70,890 01	18,544 96	76,029 04	15,660 13	38,216 24	42,913 64	42,913 64	42,913 64
September	58,634 60	112,910 02	80,788 38	122,912 69	76,906 56	45,144 11	89,229 04	74,475 44	131,634 90	153,306 40	153,306 40	153,306 40
October	51,727 13	196,590 02	82,783 88	232,980 94	127,120 92	203,845 89	303,353 08	196,409 16	199,818 12	243,331 33	243,331 33	243,331 33
November	21,438 47	80,164 07	61,762 70	140,302 82	137,543 42	191,920 89	240,172 30	132,630 16	130,332 36	203,321 21	203,321 21	203,321 21
December	68,749 66	90,703 97	11,622 59	154,308 34	180,262 15	163,869 01	204,568 63	156,387 73	192,943 45	162,122 26	162,122 26	162,122 26
January	4,940 91	523 47	10,154 16	5,998 14	93,103 66	36,866 51	81,318 42	56,792 10	56,792 10	125,498 00	125,498 00	125,498 00
February	5,348 11	57,005 72	30,278 90	52,738 89	39,228 41	14,471 94	69,346 81	74,989 98	49,645 09	110,744 97	110,744 97	110,744 97
March	31,265 12	62,246 51	29,439 63	46,715 03	61,393 41	57,870 71	81,693 31	27,469 39	29,769 34	58,021 93	58,021 93	58,021 93
April	16,946 12	68,246 51	32,481 64	5,353 66	8,155 87	7,885 25	15,258 33	12,914 05	23,294 44	18,502 93	18,502 93	18,502 93
May	1,481 40	62,246 51	32,481 64	6,167 06	5,467 06	5,801 77	16,451 75	12,914 05	23,294 44	18,502 93	18,502 93	18,502 93
June	34,107 92	108,668 77	63,820 07	26,120 14	840 57	8,483 95	17,622 44	19,058 94	2,468 21	7,253 42	7,253 42	7,253 42
Total	\$28,678 02	\$226,462 28	\$325,989 75	\$812,167 47	\$834,247 38	\$741,366 06	\$1,239,953 48	\$772,115 32	\$887,658 19	\$1,106,005 20	\$1,106,005 20	\$1,106,005 20

NOTE.—Heavy-faced type denotes deficit.

IV.

BETTERMENTS (INCLUDED IN OPERATING EXPENSES) BY MONTHS

FOR TEN YEARS ENDED JUNE 30TH, 1898—ENTIRE SYSTEM.

Months.	1,187.8	1,222.1	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0
Years ended	June 30, 1889.	June 30, 1890.	June 30, 1891.	June 30, 1892.	June 30, 1893.	June 30, 1894.	June 30, 1895.	June 30, 1896.	June 30, 1897.	June 30, 1898.	June 30, 1898.	June 30, 1898.
July	\$ 28,054 58	\$ 6,410 97	\$ 105,977 24	\$ 14,233 32	\$ 5,821 59	\$ 12,449 74	\$ 2,470 35	\$ 17,897 02	\$ 11,955 38	\$ 3,495 83	\$ 3,495 83	\$ 3,495 83
August	106,504 56	15,337 73	130,217 73	5,425 10	12,187 11	9,270 84	6,797 15	24,094 24	10,237 98	3,452 82	3,452 82	3,452 82
September	50,793 44	20,830 73	135,989 30	12,788 29	14,273 52	22,056 61	26,575 33	27,166 58	15,688 59	2,505 04	2,505 04	2,505 04
October	42,856 28	44,060 96	121,822 84	13,083 61	31,011 67	7,247 99	7,503 94	22,118 50	16,682 48	5,930 07	5,930 07	5,930 07
November	45,979 30	69,881 33	162,516 34	13,354 09	18,387 78	7,864 46	15,060 39	17,700 21	7,177 49	6,763 53	6,763 53	6,763 53
December	39,591 21	99,898 73	142,165 81	3,430 31	15,038 67	7,566 91	16,313 48	31,396 12	2,092 49	11,148 04	11,148 04	11,148 04
January	15,670 88	101,542 44	72,846 23	34,734 14	16,626 78	6,175 30	10,463 97	20,305 37	7,822 67	2,948 44	2,948 44	2,948 44
February	15,670 88	88,866 51	66,223 34	16,475 21	21,766 46	8,548 35	11,350 83	10,968 22	13,280 07	9,225 38	9,225 38	9,225 38
March	15,670 88	96,918 57	82,486 57	3,837 47	23,706 44	8,197 14	11,162 50	7,481 58	4,941 98	12,464 27	12,464 27	12,464 27
April	15,670 88	96,918 57	82,486 57	3,837 47	23,706 44	11,219 94	15,610 74	11,428 39	10,660 46	31,333 77	31,333 77	31,333 77
May	15,670 88	96,918 57	82,486 57	3,837 47	23,706 44	6,536 75	20,191 98	6,886 82	10,660 46	8,131 68	8,131 68	8,131 68
June	15,670 88	96,918 57	82,486 57	3,837 47	23,706 44	6,413 78	54,585 67	13,451 87	\$113,544 38	\$132,809 88	\$132,809 88	\$132,809 88
Total	\$28,678 02	\$226,462 28	\$325,989 75	\$812,167 47	\$834,247 38	\$741,366 06	\$1,239,953 48	\$772,115 32	\$887,658 19	\$1,106,005 20	\$1,106,005 20	\$1,106,005 20

NOTE.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Co. and the Receiver thereof. The expenditures for betterments during the receivership were authorized, and special provision for their payment was made by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

V.

SUMMARY OF FINANCIAL RESULTS FROM OPERATION

FOR TEN YEARS ENDED JUNE 30TH, 1898—ENTIRE SYSTEM.

Fiscal year ended June 30.	Miles operated.	Gross earnings.	Operating expenses. (including betterments.)		Net earnings.	All other receipts.	Total income.	Fixed and other charges against income.	Balance.	
			Amount.	Per cent. of gross earnings.					Surplus.	Deficit.
1889	1,187.8	\$3,377,838 03	\$3,404,516 05	100.79	\$ 26,678 02	\$ 875 00	\$ 25,803 02	\$1,010,330 55	—	\$1,036,133 57
1890	1,222.1	4,261,913 37	4,035,451 09	94.69	226,462 28	89,741 44	316,203 72	1,219,034 60	—	902,830 88
1891	1,222.1	4,321,541 12	4,847,540 87	112.17	525,999 75	67,222 35	458,777 40	1,094,096 20	—	1,552,873 60
1892	1,222.1	4,638,244 12	3,826,076 65	82.49	812,167 47	125,099 05	937,266 52	917,574 04	\$ 19,692 48	—
1893	1,223.0	5,116,080 25	4,281,832 87	83.69	834,247 38	69,135 93	903,383 31	949,767 32	—	46,384 01
1894	1,223.0	4,615,144 20	3,873,778 14	83.94	741,366 06	31,030 61	772,396 67	970,165 13	—	197,768 46
1895	1,223.0	5,217,174 57	3,977,221 09	76.23	1,239,953 48	24,319 19	1,264,272 67	958,083 19	306,189 48	—
1896	1,223.0	4,904,489 86	4,132,374 54	84.26	772,115 32	10,076 70	782,192 02	960,042 08	—	177,850 06
1897	1,223.0	4,743,546 43	3,855,888 24	81.29	887,658 19	3,584 17	891,242 36	954,430 62	—	63,188 26
1898	1,223.0	5,279,332 82	4,173,327 62	79.05	1,106,005 20	8,907 14	1,114,912 34	957,618 80	157,293 54	—

NOTE.—The figures given in the foregoing table up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry Cos. and the Receivers thereof. The expenditures for betterments during the receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings. Heavy-faced type denotes deficit.

VI.
TRAFFIC STATISTICS.
FOR TEN YEARS ENDED JUNE 30TH, 1898—ENTIRE SYSTEM.

FREIGHT.

Fiscal year ended June 30.	Miles operated.	Number of tons carried.	* Freight revenue.	Number of tons carried one mile.	Freight train mileage, including % of mixed train mileage.	Average freight revenue per mile of road.	Average revenue per ton.	Average revenue per ton per mile.	Average distance per haul of one ton (miles).	Average revenue per freight train mile.
1889	1,187.8	898,125	\$2,662,170.13	203,004,973	1,793,767	\$2,241.26	\$2,964.1	\$0.0131	226.03	\$1,530
1890	1,222.1	1,154,300	3,394,834.67	258,558,739	1,844,738	2,777.87	2,941.0	0.0131	223.99	1,840.3
1891	1,222.1	1,252,978	3,288,607.35	251,641,375	1,911,334	2,690.95	2,624.6	0.0131	200.84	1,720.6
1892	1,222.1	1,302,580	3,553,748.88	270,433,058	2,183,486	2,907.90	2,728.2	0.0131	207.61	1,931.9
1893	1,223.0	1,506,696	3,988,319.72	329,183,200	2,180,373	3,261.10	2,647.1	0.0121	218.48	1,859.2
1894	1,223.0	1,328,377	3,498,158.58	282,162,773	1,856,875	2,860.31	2,633.4	0.0124	212.41	1,904.4
1895	1,223.0	1,470,257	4,072,163.50	309,243,333	1,920,525	3,329.65	2,769.7	0.0132	210.33	2,120.3
1896	1,223.0	1,487,078	3,685,638.68	312,998,714	1,967,410	3,013.60	2,478.4	0.0118	210.48	1,873.3
1897	1,223.0	1,524,709	3,668,481.77	325,472,192	2,017,779	2,999.58	2,406.0	0.0113	213.47	1,818.1
1898	1,223.0	1,773,333	4,138,932.01	358,097,737	2,169,415	3,384.25	2,834.0	0.0116	201.94	1,907.9

* Actual earnings derived from hauling freight, not including any portion of miscellaneous earnings.

VII.
PASSENGER.

Fiscal year ended June 30.	Miles operated.	Number of passengers carried.	* Passenger revenue.	Number of passengers carried one mile.	Passenger train mileage, including % of mixed train mileage.	Average passenger revenue per mile of road.	Average revenue per passenger.	Average revenue per passenger per mile.	Average distance one passenger carried (miles).	Average revenue per passenger train mile.
1889	1,187.8	560,728	\$57,745.10	21,154,434	875,328	\$469.56	\$0.9947	\$0.0264	37.73	\$0.6372
1890	1,222.1	710,192	700,876.60	27,657,489	869,646	573.50	0.9869	0.0253	38.94	0.8059
1891	1,222.1	866,434	856,146.07	34,193,120	1,178,452	700.55	0.9881	0.0250	39.46	0.7265
1892	1,222.1	833,293	854,039.43	33,131,148	1,156,760	698.83	1.0249	0.0258	39.76	0.7383
1893	1,223.0	842,493	879,526.52	35,019,502	1,279,192	719.15	1.0440	0.0251	41.57	0.6876
1894	1,223.0	810,801	883,408.68	37,040,490	1,320,909	722.33	1.0896	0.0238	45.68	0.6688
1895	1,223.0	838,984	899,304.61	36,744,040	1,378,337	727.15	1.0600	0.0242	43.80	0.6452
1896	1,223.0	935,555	944,146.62	40,159,897	1,460,769	771.99	1.0092	0.0235	42.93	0.6463
1897	1,223.0	803,644	785,018.07	33,214,295	1,484,360	641.88	0.9768	0.0236	41.33	0.5374
1898	1,223.0	828,538	854,121.45	37,153,691	1,477,639	698.38	1.0309	0.0230	44.84	0.5780

* Actual earnings derived from hauling passengers, not including mail and express nor any portion of miscellaneous earnings.

VIII.
TRAIN AND CAR MILEAGE STATISTICS.
FOR TEN YEARS ENDED JUNE 30TH, 1898—ENTIRE SYSTEM.
FREIGHT.

Fiscal year ended June 30.	No. of miles run by all freight trains (including mixed trains).	Number of miles run by freight cars on this line.				No. of miles run by home freight cars on foreign lines.	Percentage of empty car mileage to total car mileage.	Average No. of cars in each freight train.		Average load.		Average No. of miles run per car per day.			
		Loaded.	Empty.	All.	Home.			Foreign.	Loaded.	Empty.	All.	Per (loaded car (tons).	Per (empty train (tons).	On this line.	On fr'gn lines.
												Home.	Fr'gn.		
1889	1,752,340	23,739,792	7,538,062	31,277,854	20,595,099	10,682,755	10,206,749	24.10	13.55	4.30	17.85	8.55	115.85	Records incomplete.	
1890	1,963,060	31,947,023	9,744,178	41,691,201	25,466,417	16,224,784	10,238,344	23.37	16.27	4.96	21.23	7.90	131.71		
1891	1,965,585	31,999,673	11,625,117	43,624,790	25,592,858	16,031,932	6,639,801	26.65	16.28	5.91	22.19	8.06	128.03		
1892	1,892,895	26,875,298	9,553,015	36,428,313	18,359,984	18,098,329	6,800,469	26.22	14.20	5.05	19.25	10.06	142.87		
1893	2,217,705	31,995,299	9,469,410	41,464,709	19,218,982	22,245,727	9,429,001	22.84	14.43	4.27	18.70	10.29	148.43		
1894	1,858,914	26,611,677	8,446,101	35,057,778	22,137,184	12,920,594	9,602,422	24.09	14.32	4.54	18.86	10.60	151.79		
1895	1,940,257	28,913,339	10,071,485	38,984,824	20,221,920	18,762,904	9,930,917	25.83	14.90	5.19	20.09	10.70	159.38		
1896	1,987,431	28,720,774	10,461,446	39,182,220	18,982,235	20,199,985	11,541,435	26.70	14.46	5.26	19.72	10.90	157.49		
1897	2,036,992	29,029,185	11,374,066	40,403,251	19,277,984	21,125,267	11,707,875	28.15	14.25	5.58	19.83	11.21	159.73		
1898	2,187,854	31,261,518	12,317,032	43,578,550	20,195,428	23,383,122	11,945,326	28.26	14.29	5.63	19.92	11.46	163.68		

IX.**PASSENGER.**

Fiscal year ended June 30.	No. of miles run by passenger trains (not including mixed trains).	Number of miles run by passenger cars on this line.			Average No. of cars moved in each passenger train.	Average No. of miles run per car per day.	
		Home.	Foreign.	All.		Home.	Foreign.
1889	852,755	3,626,335	445,015	4,071,350	4.32	Records incomplete.	
1890	751,344	3,894,574	519,658	4,414,232	3.60		
1891	1,124,201	4,395,208	743,608	5,138,816	3.83		
1892	1,103,351	4,454,368	779,857	5,234,225	3.97	148	
1893	1,241,859	4,629,209	913,229	5,542,438	3.98	174	
1894	1,298,870	4,715,771	902,479	5,618,250	4.05	177	
1895	1,358,605	4,555,758	897,278	5,453,036	3.79	160	
1896	1,440,748	4,840,535	1,228,375	6,068,910	3.99	157	
1897	1,465,147	4,964,136	1,216,181	6,180,317	4.01	156	
1898	1,459,200	5,144,441	1,138,049	6,282,490	4.10	164	

Income and Financial Exhibits.

XI.
CONDENSED BALANCE SHEET.

ST. LOUIS SOUTHWESTERN RY. CO.

JUNE 30TH, 1898.

ASSETS.	Total.	+ Increase, - Decrease, This year.	LIABILITIES.	Total.	+ Increase, - Decrease, This year.
Cost of road and equipment	\$47,121,138 17	+\$ 76,111 48	Capital stock—		
Construction accounts	21,530 95	—	Preferred	\$20,000,000 00	—
Real estate	27,527 95	—	Common	16,500,000 00	—
Investments in stocks and bonds—				\$36,500,000 00	
Capital stock St. L. S. W. Ry.					
Co. of Texas	\$2,500,000 00	—	Funded debt—		
Capital stock Tyler Southeast-			* First mortgage bonds (4%)	\$20,000,000 00	—
ern Ry. Co.	250,000 00	—	+ Second mortgage income bonds		
First mortgage bond St. L. S.			(4%, if earned)	8,000,000 00	—
W. Ry. Co. of Texas	9,445,000 00	—		28,000,000 00	
Second mortgage income bond					
St. L. S. W. Ry. Co. of Texas	4,722,500 00	—	Equipment trust obligations	234,648 62	+ \$ 87,369 75
First mortgage bond Tyler					
Southeastern Ry. Co.	660,000 00	—	Deferred liabilities—		
Second mortgage income bond			Notes payable—due on stated		
Tyler Southeastern Ry. Co.	330,000 00	—	dates after July 1st	\$237,639 47	—
St. Louis Southwestern Ry. Co.:			Interest on bonds—accrued, not		
Capital stock—			due until Nov. 1st, 1898	133,333 33	—
Preferred	\$106,350 00	—	Taxes accrued year 1898—not		
Common	143,900 00	—	due until 1899	35,129 77	+ 2,198 52
Paragould Southeastern Ry. Co.:			Hospital fund	1,345 24	+ 3,015 42
Capital stock	250,250 00	—			
Capital stock					
1st mtge. bonds	51,937 50	+ 26,937 50	Current liabilities—		
	18,209,687 50		Audited vouchers unpaid	\$444,195 31	+ 132,546 64
			Audited pay-rolls unpaid	132,111 18	+ 7,272 91
			Interest on bonds—due and un-		
			paid (unpresented coupons)	34,180 00	+ 1,580 00
			Notes payable—due on demand	49,000 00	+ 49,000 00
				659,486 49	
			Miscellaneous accounts	104,768 85	+ 20,048 85
			Balance to credit of profit and loss account,		
			June 30th, 1898, as per detailed exhibit on		
			preceding page	2,759,416 02	+ 437,164 37
			Total	\$68,665,767 79	+ \$714,305 09

* Secured by first mortgage lien on St. L. S. W. Ry., \$9,895,000, first mortgage bond of St. L. S. W. Ry. Co. of Texas, \$9,445,000, and first mortgage bond of T. S. E. Ry. Co., \$460,000.

† Secured by second mortgage lien on St. L. S. W. Ry., \$2,947,500, second mortgage income bond of St. L. S. W. Ry. Co. of Texas, \$4,722,500, and second mortgage income bond of T. S. E. Ry. Co., \$330,000.

XII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. YEAR ENDED JUNE 30TH, 1898.

INCOME ACCOUNT.

TO EXPENSES—		BY EARNINGS—	
Conducting transportation	\$ 546,307 07	Freight	\$1,373,887 80
Motive power	450,093 45	Passenger	361,439 98
Maintenance of cars	132,529 94	Mail	54,408 20
Maintenance of way	468,413 34	Express	23,644 80
General expenses	63,204 73	Telegraph	2,495 35
<i>Net Earnings</i>	—	Miscellaneous	22,620 38
			\$1,838,196 51
			\$1,838,196 51
To Accrued interest on bonds	—	By Net earnings, brought down	\$ 177,647 98
Taxes accrued	—	Sundry amounts	5,417 31
Interest and exchange	—		
All other payments	—	<i>Deficit for fiscal year ended June 30th, 1898, carried to debit of profit and loss account</i>	280,212 32
Total	—	Total	\$ 443,277 61
PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1898.			
To Balance to debit of profit and loss account, July 1st, 1897—		By Balance to debit of profit and loss account, June 30th, 1898	
Deficit from operation for fiscal year ended June 30th, 1898, as per foregoing statement	\$1,868,218 01		\$ 2,139,930 33
Amount paid in compromise settlement of suits, judgments, etc., against Receivers St. L., A. & T. Ry in Texas	260,212 32		
	11,500 00		
Total	\$2,139,930 33	Total	\$2,139,930 33

XIII.

CONDENSED BALANCE SHEET.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS.

JUNE 30TH, 1898.

ASSETS.	Total.	+ Increase, - Decrease, This year.	LIABILITIES.	Total.	+ Increase, - Decrease, This year.
Cost of road and equipment	\$17,244,997 51	+ \$78,666 29	Capital stock— Common	\$2,500,000 00	—
Current assets—			Funded debt—		
Cash	\$ 58,001 87	- 24,841 04	1st mortgage bonds (4%)	\$ 9,445,000 00	
Advances to sundry agents to be accounted for	2,473 13	+ 2,473 13	2nd mortgage income bonds (4%, if earned)	4,722,500 00	—
Sundry accounts collectible	27,596 19	- 2,744 33			
Prepaid insurance	2,164 71	+ 117 99			
Supplies on hand	\$ 90,235 90 103,803 41	+ 29,267 68	Equipment trust obligations	101,092 58	- \$ 46,186 29
Tyler Southeastern Ry. Co., general account .	194,039 31		Deferred liabilities—		
Balance to debit of profit and loss account, June 30th, 1898, as per detailed exhibit on preceding page	161,710 43	+ 13,250 35	Notes payable—due on stated dates after July 1st	\$ 100,000 00	
	2,138,930 33	+ 271,712 32	Taxes accrued year 1898—not due until 1899	29,251 30	+ 86 25
			Current liabilities—		
			Audited vouchers unpaid	\$ 113,523 04	+ 33,066 87
			Audited pay-rolls unpaid	146,896 32	+ 17,932 19
			St. Louis Southwestern Ry. Co., general account	2,581,989 34	+ 362,878 37
			Miscellaneous accounts	425 00	+ 125 00
Total	\$19,740,677 58	+ \$367,902 39	Total	\$19,740,677 58	+ \$367,902 39

XIV.

TYLER SOUTHEASTERN RY. CO. YEAR ENDED JUNE 30TH, 1898.

INCOME ACCOUNT.

To EXPENSES—					
Conducting transportation	\$ 53,113 83			BY EARNINGS—	
Motive power	33,616 20			Freight	\$ 89,690 17
Maintenance of cars	7,774 15			Passenger	29,420 52
Maintenance of way	38,649 00			Mail	5,326 64
General expenses	4,138 65			Express	3,405 60
				Telegraph	401 93
				Miscellaneous	723 03
					\$ 128,967 89
					8,323 94
				Deficit from operation	\$ 137,291 83
To Deficit brought down					
Accrued interest on bonds	—	\$ 8,323 94			
Taxes accrued	—	26,400 00		By Deficit for fiscal year ended June	
Interest and exchange	—	5,012 08		30th, 1898, carried to debit of profit	
All other payments	—	362 55		and loss account	\$ 40,478 59
		380 02			
Total	—	\$ 40,478 59		Total	\$ 40,478 59
PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1898.					
To Balance to debit of profit and loss account July 1st, 1897 . .					
Deficit from operation for fiscal year ended June 30th,		\$ 268,330 45		By Balance to debit of profit and loss account June	
1898, as per foregoing statement		40,478 59		30th, 1898	\$308,809 04
Total		\$ 308,809 04		Total	\$308,809 04

XV.

TYLER SOUTHEASTERN RY. CO. JUNE 30TH, 1898. CONDENSED BALANCE SHEET.

ASSETS.	Total.	+ Increase, - Decrease, This year.	LIABILITIES.	Total.	+ Increase, - Decrease, This year.
Cost of road and equipment	\$1,250,207 51	+ \$ 4,050 71	Capital stock—		
Current assets—			Common	\$ 250,000 00	—
Prepaid insurance	116 72	- 2 11	Funded debt—		
			1st mortgage bonds (4%) . \$ 660,000 00		
<i>Balance to debit of profit and loss account June 30th, 1898, as per detailed exhibit on preceding page</i>	<i>308,809 04</i>	<i>+ 40,478 59</i>	2nd mortgage income bonds (4%, if earned) 330,000 00	990,000 00	—
			St. Louis Southwestern Ry. Co., general account	151,998 09	+ \$31,208 09
			St. Louis Southwestern Ry. Co. of Texas, general account	161,710 43	+ 13,250 35
			Miscellaneous accounts	5,424 75	+ 68 75
Total	\$1,559,133 27	+ \$ 44,527 19	Total	\$1,559,133 27	+ \$44,527 19

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1899.



EIGHTH ANNUAL REPORT.

“COTTON BELT ROUTE”

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY,

INCLUDING THE
ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS
AND
TYLER SOUTHEASTERN RAILWAY CO.

FISCAL YEAR ENDED
JUNE 30, 1899.

Compliments of

S. C. Johnson,

General Auditor.

"COTTON BELT ROUTE"

ST. LOUIS SOUTHWESTERN RAILWAY CO.

INCLUDING THE

ST. LOUIS SOUTHWESTERN RAILWAY CO. OF TEXAS

AND

TYLER SOUTHEASTERN RAILWAY CO.

EIGHTH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

TO THE

STOCKHOLDERS,

FOR THE FISCAL YEAR ENDED

JUNE 30, 1899.

ST. LOUIS:

WOODWARD & TIERNAN PRINTING COMPANY, 309-325 NORTH THIRD STREET,
1899.

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DIRECTORS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

EDWIN GOULD	IRVINGTON, N. Y.
RUSSELL HARDING	ST. LOUIS, MO.
R. M. GALLAWAY	NEW YORK, N. Y.
THOS. T. ECKERT	NEW YORK, N. Y.
WINSLOW S. PIERCE	NEW YORK, N. Y.
W. B. DODDRIDGE	ST. LOUIS, MO.
MURRAY CARLETON	ST. LOUIS, MO.
A. L. WOLFF	ST. LOUIS, MO.

Annual meeting of stockholders for election of directors is held in the city of St. Louis, Mo., on the first Tuesday in October.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

EDWIN GOULD	Irvington, N. Y.
RUSSELL HARDING	St. Louis, Mo.
WINSLOW S. PIERCE	New York, N. Y.
W. B. DODDRIDGE	St. Louis, Mo.
F. H. BRITTON	Tyler, Tex.
M. A. COOPER	Waco, Tex.
TOM RANDOLPH	Sherman, Tex.
JAMES GARRITY	Corsicana, Tex.
W. C. CONNOR	Dallas, Tex.

Annual meeting of stockholders for election of directors is held in the city of Tyler, Tex., on the Monday preceding the first Wednesday in May.

TYLER SOUTHEASTERN RAILWAY COMPANY.

H. H. ROWLAND	Tyler, Tex.
HOWARD GOULD	Tarrytown, N. Y.
GUY PHILLIPS	New York, N. Y.
W. S. MALLETT	New York, N. Y.
F. H. BRITTON	Tyler, Tex.
J. P. DOUGLAS	Tyler, Tex.
T. F. MURCHISON	Athens, Tex.

Annual meeting of stockholders for election of directors is held in the city of Tyler, Tex., on the Monday preceding the first Wednesday in May.

OFFICERS.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY.

EDWIN GOULD	<i>President</i>	IRVINGTON, N. Y.
RUSSELL HARDING	<i>Vice-President and Gen'l Manager</i>	ST. LOUIS, MO.
WINSLOW S. PIERCE	<i>General Counsel</i>	NEW YORK, N. Y.
S. H. WEST	<i>General Attorney</i>	ST. LOUIS, MO.
S. C. JOHNSON	<i>General Auditor</i>	ST. LOUIS, MO.
GEORGE ERBELDING	<i>Secretary</i>	NEW YORK, N. Y.
G. K. WARNER	<i>Treasurer and Ass't Secretary</i>	ST. LOUIS, MO.
A. S. DODGE	<i>General Traffic Manager</i>	ST. LOUIS, MO.
R. S. DAVIS	<i>General Freight Agent</i>	ST. LOUIS, MO.
E. W. LABEAUME	<i>General Passenger and Ticket Agt</i>	ST. LOUIS, MO.
F. H. BRITTON	<i>General Superintendent</i>	TYLER, TEX.
W. C. WATROUS	<i>Sup't Transportation</i>	TYLER, TEX.
F. S. RAWLINS	<i>Superintendent</i>	PINE BLUFF, ARK.
E. J. NICHOLS	<i>Resident Engineer</i>	TYLER, TEX.
J. S. BERRY	<i>Superintendent Water Service,</i> <i>Bridges and Buildings</i>	TYLER, TEX.
R. M. GALBRAITH	<i>General Master Mechanic</i>	PINE BLUFF, ARK.

TRANSFER OFFICE: No. 195 Broadway, New York, N. Y.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS.

RUSSELL HARDING	<i>President</i>	St. Louis, Mo.
F. H. BRITTON	<i>Vice-President and General Sup't</i>	Tyler, Tex.
R. D. COBB	<i>Secretary and Auditor</i>	Tyler, Tex.
GEORGE ERBELDING	<i>Assistant Secretary</i>	New York, N. Y.
J. W. HOGAN	<i>Treasurer</i>	Tyler, Tex.
H. E. FARRELL	<i>General Freight Agent</i>	Tyler, Tex.
S. G. WARNER	<i>General Passenger and Ticket Agt</i>	Tyler, Tex.
W. C. WATROUS	<i>Sup't Transportation</i>	Tyler, Tex.
A. B. LIGGETT	<i>Superintendent</i>	Tyler, Tex.
E. J. NICHOLS	<i>Resident Engineer</i>	Tyler, Tex.
J. S. BERRY	<i>Superintendent Water Service,</i> <i>Bridges and Buildings</i>	Tyler, Tex.
J. M. SCROGIN	<i>Master Mechanic</i>	Tyler, Tex.

TYLER SOUTHEASTERN RAILWAY COMPANY.

H. H. ROWLAND	<i>President</i>	Tyler, Tex.
HOWARD GOULD	<i>Vice-President</i>	Tarrytown, N. Y.
F. H. BRITTON	<i>General Superintendent</i>	Tyler, Tex.
R. D. COBB	<i>Auditor</i>	Tyler, Tex.
J. P. DOUGLAS	<i>Secretary</i>	Tyler, Tex.
GUY PHILLIPS	<i>Assistant Secretary</i>	New York, N. Y.
J. W. HOGAN	<i>Treasurer</i>	Tyler, Tex.
H. E. FARRELL	<i>General Freight Agent</i>	Tyler, Tex.
S. G. WARNER	<i>General Passenger and Ticket Agt</i>	Tyler, Tex.
W. C. WATROUS	<i>Sup't Transportation</i>	Tyler, Tex.
A. B. LIGGETT	<i>Superintendent</i>	Tyler, Tex.
E. J. NICHOLS	<i>Resident Engineer</i>	Tyler, Tex.
J. S. BERRY	<i>Superintendent Water Service,</i> <i>Bridges and Buildings</i>	Tyler, Tex.
J. M. SCROGIN	<i>Master Mechanic</i>	Tyler, Tex.

“COTTON BELT ROUTE.”

St. Louis Southwestern Railway Co.

OFFICE OF THE PRESIDENT.

NEW YORK, Sept. 15th, 1899.

To the Stockholders of the

St. Louis Southwestern Railway Company:

The Eighth Annual Report of this company, for the fiscal year ended June 30th, 1899, is hereby respectfully presented.

The holders of all classes of the company's securities are to be congratulated upon the splendid showing made in this annual report.

The policy of improving the physical condition of your property has been continued, and the surplus earned, together with the proceeds of the income bonds which your directors sold, has been used in paying off the floating debt (an interest bearing liability) and placing the company in a strong financial condition.

The road starts the current year, for the first time in its history, free from floating debt.

The Chicago & Eastern Illinois Railroad Company now have under construction a sixty-three mile extension from Marion, Ill., which will connect with this line at a point on the Mississippi River opposite Gray's Point, Mo., and good results are expected from an interchange of traffic between the two lines at Gray's Point when this extension is completed.

The thanks of the stockholders are due to the officers and employes of the road for the intelligence and fidelity of their efforts in seconding and carrying out the plans of the management.

For the Directors,

EDWIN GOULD,

President.

"COTTON BELT ROUTE."

St. Louis Southwestern Railway Co.

OFFICE OF THE VICE-PRESIDENT AND GENERAL MANAGER.

St. LOUIS, Mo., September 1st, 1899.

MR. EDWIN GOULD, *President*:

DEAR SIR—The following report of the business and operations of the entire system for the fiscal year ended June 30th, 1899, and the condition of its affairs at the close of the year, is respectfully submitted:

During the current fiscal year, the average number of miles operated, on which all computations pertaining to the earnings, expenses and traffic statistics are based, was 1,249.8 miles, an increase of 26.8 miles over the preceding fiscal year. The actual number of miles operated on June 30th, 1899, is shown in detail in Table No. 1 of the appendix to this report.

FINANCIAL RESULTS FROM OPERATION.

ENTIRE SYSTEM.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.
Average number of miles operated	1,249.8	1,223.0	26.8
Gross earnings	\$5,862,338 51	\$5,279,332 82	\$583,005 69
Operating expenses (including betterments)	4,209,088 15	4,173,327 62	35,760 53
Net earnings	\$1,653,250 36	\$1,106,005 20	\$547,245 16
All other receipts	84,457 05	8,907 14	75,549 91
Total income	\$1,737,707 41	\$1,114,912 34	\$622,795 07
Charges against income:			
Accrued int. on first mortgage bonds (4%)	\$ 800,000 00	\$ 800,000 00	—
Taxes accrued	133,494 85	131,006 51	\$ 2,488 34
Rental of leased lines (Gray's Pt. Term'l R'y)	9,887 50	—	9,887 50
Sundry amounts	34,647 79	26,612 29	8,035 50
Total	\$ 978,030 14	\$ 957,618 80	\$ 20,411 34
Balance	\$ 759,677 27	\$ 157,293 54	\$602,383 73
From which has been paid:			
Interest on second mortgage income bonds earned during calendar year ended Dec. 31st, 1898 (2%)	180,000 00	—	180,000 00
Surplus	\$ 579,677 27	\$ 157,293 54	\$422,383 73

For the fiscal year ended June 30th, 1899, the per cent. of operating expenses (including betterments) to gross earnings was 71.80, and for the preceding year 79.05, while the per cent. of operating expenses (exclusive of betterments) was 68.68 for the current fiscal year, against 76.53 for the preceding year.

A further comparison of the general operating results for the current fiscal year with those of the preceding fiscal year is shown in the following table:

Gross earnings	increase	\$583,005 69	or 11.04%
Operating expenses (including betterments)	increase	35,760 53	or .86%
Net earnings	increase	547,245 16	or 49.48%
Betterments (included in operating ex- penses)	increase	49,942 46	or 37.60%
Operating expenses (exclusive of better- ments)	decrease	14,181 93	or .35%
Number of revenue tons carried	increase	114,276	or 6.44%
Number of revenue tons carried one mile	increase	22,550,851	or 6.30%
Average load per loaded car (revenue tons)	increase	.24	or 2.09%
Average load per train (revenue tons)	increase	15.76	or 9.63%
Number of passengers carried	increase	70,510	or 8.51%
Number of passengers carried one mile	increase	1,220,225	or 3.28%
Revenue train mileage	decrease	59,779	or .16%

It will be noted that the gross earnings of the system for the fiscal year just ended were the greatest in its history, exceeding by nearly six hundred thousand dollars the earnings of the preceding year, which were, up to that time, the greatest.

The surplus income for the current fiscal year, after payment of all fixed charges (including interest on second mortgage income bonds earned during the calendar year ended December 31st, 1898—2 per cent. on \$9,000,000.00, or \$180,000.00—), together with other resources, has been applied principally in liquidating the floating debt of the company, which had accumulated by reason of the large amounts expended for betterments since the organization of the company, June 1st, 1891; also in the payment of maturing equipment trust obligations, and in the purchase of additional and heavier equipment, made necessary in order to meet the demands of increased traffic.

On August 1st, 1898, the Magnolia Branch, extending from McNeil, Ark., to Magnolia, Ark. (6.4 miles), was turned over to the Louisiana & Northwest R. R. for operation, under a lease to that company for a period of twenty years.

The contract with the Gulf, Colorado & Santa Fe Railway Co., referred to in the preceding annual report, giving this line the use of the former company's track between Wylie, Tex., and Dallas, Tex., together with the use of their terminals at Dallas, and which also permits the Gulf, Colorado & Santa Fe Railway Co. to use the tracks of this line between Wolfe City, Tex., and Sherman, Tex., together with the use of this line's terminals at Sherman, Tex., was made effective on August 1st, 1898.

Effective December 1st, 1898, the company began the operation of the Gray's Point Terminal Ry., extending from Delta, Mo., to Gray's Point, Mo., a distance of 16.4 miles, which property was acquired under the terms of a fifty year lease.

The contents of the several chapters headed, respectively, "Financial Exhibits," "Traffic," "Conducting Transportation," "Maintenance of Way and Structures," "Maintenance of Equipment," etc., which follow, exhibit a detailed analysis of the results from operation and of the maintenance and improvement of the property.

FINANCIAL EXHIBITS.

Immediately following will be found :

1. Statement of income account, for the fiscal year ended June 30th, 1899.
2. Statement of profit and loss account, to June 30th, 1899.
3. Condensed balance sheet, June 30th, 1899.

A complete analysis of the foregoing, in the form of comparative exhibits, will also be found, showing the changes that have taken place in the various accounts composing the income account and condensed balance sheet since the close of the preceding fiscal year; also the company's financial condition at the close of the fiscal year ended June 30th, 1899, and finally a summary of financial transactions showing the year's resources and the manner in which they were appropriated, in the following order, to-wit:

Earnings, expenses and taxes	Exhibit A.
Betterments	" A.
Accrued interest on bonds	" B.
Taxes accrued	" C.
Rental of leased lines	" D.
Sundry amounts charged against income account . . .	" E.
Interest on bonds owned	" F.
Trackage rentals	" G.
All other receipts credited income account	" H.
Cost of road and equipment	" I.
Gray's Point Terminal Railway leasehold	" J.
Construction accounts	" K.
Real estate	" L.
Investments in stocks and bonds	" M.
Miscellaneous accounts (assets)	" N.
Capital stock	" O.
Funded debt	" P.
Gray's Point Terminal Ry. Co. 1st mortgage bonds, guaranteed	" Q.
Equipment trust obligations	" R.
Current assets and deferred and current liabilities . .	" S.
Miscellaneous accounts (liabilities)	" T.
Summary of financial transactions	" U.

CONDENSED BALANCE SHEET—ENTIRE SYSTEM.

JUNE 30TH, 1899.

ASSETS.	Total.	+ Increase, - Decrease, This year.	LIABILITIES.	Total.	+ Increase, - Decrease, This year.
Cost of road and equipment (see ex. I, page 20)	\$66,905,084 54	+ \$1,288,741 35	Capital stock (see ex. O, page 22)— Preferred \$20,000,000 00 Common 16,500,000 00	\$36,500,000 00	—
Gray's Pt. Ry. leasehold (see ex. J, page 20)	339,000 00	+ 339,000 00	Funded debt (see ex. P, page 23)— 1st mortgage bonds (4%) \$20,000,000 00 2d mortgage income bonds (4%, if earned) 9,000,000 00	—	+ \$ 1,000,000 00
Construction accounts (see ex. K, page 21)	20,722 81	- 808 14	Gray's Point Terminal R'y Co. 1st mortgage bonds guaranteed (5%) (see ex. Q, page 23)—	29,000,000 00	—
Real estate (see ex. L, page 21)	27,327 95	—	Equipment trust obligations (see ex. R, page 24)	339,000 00	+ 339,000 00
Investments (see ex. M, page 21)— Stocks and bonds owned	363,039 21	+ 60,851 71	Deferred liabilities (see ex. S, page 26)— Notes payable—due on stated dates after July 1st \$3,000 00 Interest on bonds—accrued 314,745 83 Taxes accrued year 1899—not due until 1900 65,535 57 Hospital fund 2,993 49	500,675 14	+ 164,933 94
Current assets (see ex. S, page 25)— Cash \$389,029 55 Sundry accounts collectible 224,629 33 Advances to sundry agents (to be accounted for) 39,142 25 Prepaid insurance 5,734 64 Supplies on hand \$658,535 77 392,951 88	— — — — — 1,051,487 65	+ 211,013 08 - 23,919 22 + 33,187 97 + 1,013 35 + 101,639 40 —	Current liabilities (see ex. S, page 26)— Audited vouchers unpaid \$219,912 19 Audited pay-rolls unpaid 269,110 06 Interest on bonds—due and un- paid (unpresented coupons) 44,405 00 Notes payable—due on demand —	— — — — 386,274 89	- 334,639 47 + 181,412 50 + 1,154 50 + 1,648 25
Miscellaneous accounts, (see ex. N, page 22)	52,820 93	+ 35,122 18	Miscellaneous accounts (see ex. T, page 26)	—	+ 337,806 16 9,897 44
			Balance to credit of profit and loss account, June 30th, 1899, as per detailed exhibit on preceding page	533,427 25 147,388 64	+ 10,225 00 49,000 00
Total	\$68,759,483 09	+ \$2,045,841 68	Total	\$68,759,483 09	+ 1,041,840 52 \$2,045,841 68

NOTE.—See appendix for condensed balance sheet of each company separately.

EXHIBIT A.

COMPARATIVE STATEMENT OF EARNINGS, EXPENSES,
NET EARNINGS AND TAXES.

ENTIRE SYSTEM.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Per cent.	Decrease.	Per cent.
EARNINGS—						
Freight	\$4,619,985 26	\$4,138,932 01	\$481,053 25	11.62	—	—
Passenger—local . .	571,745 52	546,740 01	25,005 51	4.57	—	—
Passenger—foreign . .	339,121 75	307,381 44	31,740 31	10.33	—	—
Mail	175,209 64	146,540 82	28,668 82	19.56	—	—
Express	72,000 00	72,000 00	—	—	—	—
Telegraph	6,058 61	6,509 14	—	—	\$ 450 53	6.92
Miscellaneous	78,217 73	61,229 40	16,988 33	27.75	—	—
Total	\$5,862,338 51	\$5,279,332 82	\$583,005 69	11.04	—	—
Earnings per mile of road	\$ 4,690 62	\$ 4,316 71	\$ 373 91	8.66	—	—
EXPENSES (including betterments)—						
Maintenance of way and structures . . .	\$1,101,583 45	\$1,226,970 63	—	—	\$125,387 18	10.22
Maintenance of equip- ment	647,445 83	582,962 99	\$ 64,482 84	11.06	—	—
Conducting transpor- tation	2,170,464 01	2,179,514 63	—	—	9,050 62	.42
General expenses . . .	289,594 86	183,879 37	105,715 49	57.49	—	—
Total	\$4,209,088 15	\$4,173,327 62	\$ 35,760 53	.86	—	—
Expenses per mile of road	\$ 3,367 81	\$ 3,412 37	—	—	\$ 44 56	1.31
Percentage of expen- ses to earnings . .	71.80	79.05	—	—	7.25	9.17
NET EARNINGS	\$1,653,250 36	\$1,106,005 20	\$547,245 16	49.48	—	—
Per mile of road . . .	\$ 1,322 81	\$ 904 34	\$ 418 47	46.27	—	—
Percentage of total earnings	28.20	20.95	7.25	34.61	—	—
EXPENSES AND TAXES—						
Expenses	\$4,209,088 15	\$4,173,327 62	\$ 35,760 53	.86	—	—
Taxes accrued	133,494 85	131,006 51	2,488 34	1.90	—	—
Total	\$4,342,583 00	\$4,304,334 13	\$ 38,248 87	.89	—	—
Per mile of road . . .	\$ 3,474 62	\$ 3,519 49	—	—	\$ 44 87	1.27
Percentage of total earnings	74.08	81.53	—	—	7.45	9.14
SURPLUS after paying taxes	\$1,519,755 51	\$ 974,998 69	\$544,756 82	55.87	—	—
Per mile of road . . .	\$ 1,216 00	\$ 797 22	\$ 418 78	52.53	—	—

EXHIBIT A—Continued.

BETTERMENTS—ENTIRE SYSTEM.

INCLUDED IN OPERATING EXPENSES IN FOREGOING STATEMENT.

TITLE OF ACCOUNT AND NATURE OF EXPENSE.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Decrease.
MAINTENANCE OF WAY AND STRUCTURES—				
New buildings for Transportation Department	\$ 2,639 70	\$ 9,618 24	—	\$ 6,958 54
New buildings for Road Department	216 58	—	\$ 216 58	—
New roundhouses and shops	15,956 08	17,208 94	—	1,252 86
New fuel and water stations	5,425 25	7,907 97	—	2,482 72
New grain elevators, coal bunkers and stock yards	1,089 93	1,813 67	—	723 74
New miscellaneous buildings	999 52	—	999 52	—
New machinery and tools	11,614 72	5,823 03	5,791 69	—
New side tracks	31,832 52	25,595 62	6,236 90	—
New bridges and culverts	—	57 71	—	57 71
New fences	44,119 48	15,938 54	28,180 94	—
Rails	5,454 83	—	5,454 83	—
Fastenings, etc.	1,786 16	—	1,786 16	—
Roadway and track	22,533 67	27,323 31	—	4,789 64
Total	\$ 143,688 44	\$ 111,287 03	\$ 48,666 62	\$ 16,265 21
MAINTENANCE OF EQUIPMENT—				
Additional appliances for equipment	\$ 39,063 90	\$ 21,522 85	\$ 17,541 05	—
Total	\$ 182,752 34	\$ 132,809 88	\$ 66,207 67	\$ 16,265 21
Net increase	—	—	\$ 49,942 46	—

EXHIBIT B.

ACCRUED INTEREST ON BONDS—ENTIRE SYSTEM.

FIRST MORTGAGE—	
Coupon No. 16, due Nov. 1st, 1898 (4%) . .	\$400,000 00
Coupon No. 17, due May 1st, 1899 (4%) . .	400,000 00 \$800,000 00
SECOND MORTGAGE INCOME—	
Interest earned during calendar year ended December 31st, 1898, authorized paid by Board of Directors, at meeting June 23d, 1899 (2%)	
	180,000 00
Total	\$980,000 00

EXHIBIT C.

TAXES ACCRUED, FISCAL YEAR—ENTIRE SYSTEM.

Taxes accrued, fiscal year ended June 30th, 1899	\$133,494 85
Taxes accrued, fiscal year ended June 30th, 1898	131,006 51
Increase	\$ 2,488 34

The following comparative statement shows the amount of taxes for the calendar year assessed by and paid to each State in which the line is located:

TAXES PAID, CALENDAR YEAR—ENTIRE SYSTEM.

STATE.	Year 1898.	Year 1897.	Increase.	Decrease.
Missouri	\$ 15,081 02	\$ 13,467 31	\$1,613 71	—
Arkansas	54,448 02	54,480 44	—	\$ 32 42
Louisiana	6,922 85	6,833 96	88 89	—
Texas	58,830 75	57,983 21	847 54	—
Total taxes paid—calendar year	\$135,282 64	\$132,764 92	\$2,517 72	—

EXHIBIT D.

RENTAL OF LEASED LINES—ENTIRE SYSTEM.

Gray's Point Terminal Ry.—

Interest on 1st mortgage bonds guaranteed as basis of rental, to-wit:

December 1st, 1898, to June 30th, 1899, seven months

at 5% on \$339,000.00 \$9,887 50

EXHIBIT E.

SUNDRY AMOUNTS CHARGED AGAINST INCOME ACCOUNT—ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Decrease.
Interest and exchange	\$13,256 99	\$11,881 05	\$1,375 94	—
Equipment trust expenses	21,279 95	14,504 45	6,775 50	—
Adjustment of sundry accounts	110 85	226 79	—	\$ 115 94
Total	\$34,647 79	\$26,612 29	\$8,035 50	—

EXHIBIT F.

INTEREST ON BONDS OWNED—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.
Paragould Southeastern Ry. Co., 1st mortgage, 6%.			
\$25,000 00. Interest 12 months		\$1,500 00	
31,000 00. Interest 8 months		1,240 00	
	—	\$ 2,740 00 }	\$ 620 00
\$56,000 00. Interest 12 months	\$ 3,360 00	—	
Pine Bluff, Arkansas River Ry., 1st mortgage, 5%.			
\$50,000 00. Interest 5 months	1,041 66	—	1,041 66
Gray's Point Terminal Ry. Co., 1st mortgage, 5% .			
\$33,000 00. Interest 7 months	962 50	—	962 50
Total	\$ 5,364 16	\$ 2,740 00	\$ 2,624 16

EXHIBIT G.

TRACKAGE RENTALS—ENTIRE SYSTEM.

MAGNOLIA BRANCH (McNeil to Magnolia, Ark., 6.4 miles):
 Leased to the Louisiana & Northwest R. R.,
 August, 1898, to June, 1899, 11 months, at \$330.00 per
 month \$3,630 00

EXHIBIT H.

ALL OTHER RECEIPTS—CREDITED INCOME ACCOUNT.
ENTIRE SYSTEM.

Adjustment of sundry accounts, etc., fiscal year ended June 30th, 1899	\$75,462 89
Adjustment of sundry accounts, etc., fiscal year ended June 30th, 1898	6,167 14
Increase	\$69,295 75

EXHIBIT I.

COST OF ROAD AND EQUIPMENT—ENTIRE SYSTEM.

CHANGES DURING YEAR ENDED JUNE 30TH, 1899.			
RIGHT OF WAY SETTLEMENTS	\$	2,137	77
ADDITIONAL LAND PURCHASED—			
For changing alignment at Corkscrew Hill, Ark.	\$	5	00
For additional yard facilities at Paragould, Ark.		1,686	50
For sand pit, near Big Sandy, Tex.		41	02
For track connection at Wolfe City, Tex., with the G., C. & S. F. Ry.		125	75
			1,858 27
EQUIPMENT—			
Locomotives purchased	\$	65,160	00
Cars purchased—			
Passenger	\$	94,037	65
Freight		107,807	08
		201,844	73
Steamer Marion (half interest)		17,740	58
		284,745	31
SECOND MORTGAGE INCOME BOND CERTIFICATES ISSUED—			
1,000 certificates, par value, \$1,000 each		1,000,000	00
Total additions for year		\$1,288,741	35
COST OF ROAD AND EQUIPMENT TO JUNE 30TH, 1899.			
Total cost to July 1st, 1898	\$	65,616,343	19
Total additions for the fiscal year ended June 30th, 1899,		1,288,741	35
Total cost of road and equipment to June 30th, 1899	\$	66,905,084	54

EXHIBIT J.

GRAY'S POINT TERMINAL RAILWAY—LEASEHOLD.

GRAY'S POINT TERMINAL RY.—	
Property leased: Gray's Point to Delta, Mo.	
Main track	16.4 miles.
Side track	6.2 miles.
Total	22.6 miles.
In consideration of 50 years' lease, principal and interest guaranteed by the St. Louis Southwestern Ry. Co. on First Mortgage Bonds, Gray's Point Terminal Ry. Co. as follows: Bonds dated December 1st, 1897, due December 1st, 1947—50 years. Interest 5% due semi-annually on June 1st and December 1st.	
339 Bonds @ \$1,000.00 each	\$339,000 00

EXHIBIT K.

CONSTRUCTION ACCOUNTS—ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1899.	Year ended June 30, 1898.	Decrease.
Argenta Extension	\$ 20,722 81	\$ 20,722 81	—
*Survey—Delta to Cape Girardeau	—	808 14	\$ 808 14
Total	\$ 20,722 81	\$ 21,530 95	\$ 808 14

*Cost of survey Delta to Cape Girardeau was charged during year ended June 30th, 1899, to Gray's Point Terminal Ry. Co.

EXHIBIT L.

REAL ESTATE—ENTIRE SYSTEM.

In Little Rock, Ark. (not used for railroad purposes) \$27,327 95

During the fiscal year ended June 30th, 1899, no change has been made in this account.

EXHIBIT M.

INVESTMENTS IN STOCKS AND BONDS—ENTIRE SYSTEM.

CLASS OF SECURITY.	Interest received this year.	June 30, 1899.		June 30, 1898.	
		Face value.	Cost to Co.	Face value.	Cost to Co.
Capital stock, St. L. S. W. Ry. Co.—preferred . . .	—	\$ 106,350 00	\$106,350 00	\$106,350 00	\$106,350 00
Capital stock, St. L. S. W. Ry. Co.—common . . .	—	143,900 00	143,900 00	143,900 00	143,900 00
Capital stock, Paragould Southeastern Ry. Co. . .	—	56,000 00	—	56,000 00	—
First mortgage bonds, Paragould Southeastern Ry. Co.—6%	\$3,360 00	56,000 00	51,937 50	56,000 00	51,937 50
Capital stock, Pine Bluff Arkansas River Ry. . .	—	100,000 00	—	—	—
First mortgage bonds, Pine Bluff Ark. River Ry.—5% . . .	1,041 66	50,000 00	27,851 70	—	—
Capital stock, Gray's Point Terminal Ry. Co.	—	500,000 00	—	—	—
First mortgage bonds, Gray's Point Terminal Ry. Co.—5%	962 50	33,000 00	33,000 01	—	—
Total	\$5,364 16	\$1,045,250 00	\$363,039 21	\$362,250 00	\$302,187 50
Increase current fiscal year	\$2,624 16	\$ 683,000 00	\$ 60,851 71	—	—

EXHIBIT N.

MISCELLANEOUS ACCOUNTS (ASSETS).

ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Decrease.
UNACCRUED INTEREST ON EQUIP- MENT TRUST NOTES—				
St. L., A. & T. Ry.—Series A 37	\$ 10,005 18	—	\$ 10,005 18	—
St. Charles Car Co.—Series X 1.	13,744 92	\$ 17,672 04	—	\$ 3,927 12
St. Charles Car Co.—Series X 2.	11,584 74	—	11,584 74	—
St. Charles Car Co.—Series X 3.	3,938 55	—	3,938 55	—
Richmond Locomotive and Ma- chine Works—Series R 1. . . .	7,320 04	—	7,320 04	—
Pullman's Palace Car Co.—Se- ries P 1	6,227 50	—	6,227 50	—
Suspense Account	—	26 71	—	26 71
Total	\$ 52,820 93	\$ 17,698 75	\$ 35,122 18	—

EXHIBIT O.

CAPITAL STOCK—ENTIRE SYSTEM.

JUNE 30TH, 1899.

DESCRIPTION.	Number of shares author- ized.	Par value of shares.	Total par value authorized.	Total amount issued and outstanding.
Preferred	200,000	\$100 00	\$20,000,000 00	\$20,000,000 00
Common	165,000	100 00	16,500,000 00	16,500,000 00
Total	365,000	—	\$36,500,000 00	\$36,500,000 00

No change has been made in this account during the current fiscal year.

EXHIBIT P.

FUNDED DEBT—ENTIRE SYSTEM.

JUNE 30TH, 1899.

DESCRIPTION.	Time.		Amount of authorized issue.	Amount issued.	Amount out-standing.	Interest.	
	Date of issue.	When due.				Rate.	When payable.
First mortgage bonds	Nov. 1, 1890.	Nov. 1, 1989.	\$20,000,000 00	\$20,000,000 00	\$20,000,000 00	4%	May and Novemb'r
Second mortgage, income, bonds	Nov. 1, 1890.	Nov. 1, 1989.	10,000,000 00	9,000,000 00	9,000,000 00	*4%	January and July.
Total June 30th, 1899 . . .			\$30,000,000 00	\$29,000,000 00	\$29,000,000 00	—	—
Total June 30th, 1898 . . .			30,000,000 00	28,000,000 00	28,000,000 00	—	—
Increase			—	\$ 1,000,000 00	\$ 1,000,000 00	—	—

*If earned.

The increase in funded debt during fiscal year ended June 30th, 1899, is due to the issuance during that year of 1,000 second mortgage income bond certificates—par value \$1,000,000.00—the same having been issued on account of expenditures, since the organization of the company, June 1st, 1891, for betterments.

EXHIBIT Q.

GRAY'S POINT TERMINAL RY. CO. FIRST MORTGAGE BONDS,
GUARANTEED—JUNE 30TH, 1899.

DESCRIPTION.	Time.		Amount of authorized issue.	Amount issued.	Amount out-standing.	Interest.	
	Date of issue.	When due.				Rate.	When payable.
First mortgage bonds	Dec. 1, 1897.	Dec. 1, 1947.	*\$500,000 00	\$339,000 00	\$339,000 00	5%	June and December

* Authorized issue at rate of \$15,000.00 per mile for each mile of main track, side track and terminal track when completed.

EXHIBIT R.

EQUIPMENT TRUST OBLIGATIONS.

JUNE 30TH, 1899.

Total outstanding June 30th, 1898						\$ 335,741 20
Add—						
Notes (covering deferred payments and interest) issued during fiscal year ended June 30th, 1899, on account of following agreements:						
St. L., A. & T. Ry.—Series A 37, for interest on notes extended					\$11,770 84	
St. Charles Car Co.—Series X 2, for 200 new box cars, 60,000 lbs. capacity					99,114 60	
St. Charles Car Co.—Series X 3, for 4 new chair and 2 combination mail and express cars					32,472 60	
Richmond L. & M. Works.—Series R 1, for 6 new 10-wheel locomotive engines					63,832 20	
Pullman's Palace Car Co.—Series P 1, for 4 new chair and 4 parlor cars					53,280 00	260,470 24
Total						\$ 596,211 44
Deduct—						
Notes paid during fiscal year ended June 30th, 1899						95,536 30
Total outstanding June 30th, 1899, shown in detail below						\$ 500,675 14
DESCRIPTION.	Due during year ended					Total.
	June 30, 1900.	June 30, 1901.	June 30, 1902.	June 30, 1903.	June 30, 1904.	
St. L., A. & T. Ry. Series A 37	\$ 17,791 20	\$ 17,791 20	\$ 17,791 20	\$ 17,791 20	\$ 5,930 40	\$ 77,095 20
St. L. S.-W. Ry. Series A .	25,000 00	25,000 00	25,000 00	25,000 00	—	100,000 00
Series X 1 .	29,679 12	29,679 12	29,679 12	14,839 56	—	103,876 92
Series X 2 .	19,822 92	19,822 92	19,822 92	19,822 92	8,259 55	87,551 23
Series X 3 .	6,494 52	6,494 52	6,494 52	6,494 52	3,788 47	29,766 55
Series R 1 .	12,766 44	12,766 44	12,766 44	12,766 44	4,255 48	55,321 24
Series P 1 .	10,656 00	10,656 00	10,656 00	10,656 00	4,440 00	47,064 00
Total . .	\$122,210 20	\$122,210 20	\$122,210 20	\$107,370 64	\$ 26,673 90	\$ 500,675 14
Average annual payment for five years	—	—	—	—	—	\$ 100,135 03

EXHIBIT 8.

CURRENT ASSETS AND DEFERRED AND CURRENT LIABILITIES.

ENTIRE SYSTEM.	June 30, 1899.	June 30, 1898.	+ Increase, - Decrease, This year.
CURRENT ASSETS.			
CASH—			
In hands of Treasurer	\$ 83,652 88	\$ 90,777 62	- \$ 7,124 74
Remittances in transit from agents and conductors	73,916 16	45,858 03	+ 28,058 13
In hands of Paymaster	4,082 89	5,017 51	- 934 62
On Deposit to pay Unpresented Coupons. Central Trust Co. of New York (St. L. S.-W. Ry. Co. 1st mortgage 4%) . . .	43,280 00	34,180 00	+ 9,100 00
Mercantile Trust Co. (St. L. S.-W. Ry. Co. 2d mortgage income 2%)	180,000 00	—	+ 180,000 00
St. Louis Trust Co. (Gray's Point Ter. Ry. Co. 5%)	1,125 00	—	+ 1,125 00
On deposit with Brooklyn Trust Co., N.Y.	697 40	2,183 31	- 1,485 91
On deposit with Mercantile Trust Co. . .	2,275 22	—	+ 2,275 22
	\$ 389,029 55	\$ 178,016 47	+\$ 211,013 08
SUNDRY ACCOUNTS COLLECTIBLE—			
Station agents and conductors	\$ 9,729 14	\$ 35,081 00	- \$ 25,351 86
Bills receivable	5,812 52	10,284 01	- 4,471 49
U. S. Post Office Department	43,726 60	39,084 99	+ 4,641 61
Pacific Express Co.	6,000 00	6,000 00	—
Individuals and companies—open acc'ts	159,361 07	158,098 55	+ 1,262 52
	\$ 224,629 33	\$ 248,548 55	- \$ 23,919 22
ADVANCES TO SUNDRY AGENTS (to be ac- counted for)	\$ 39,142 25	\$ 5,954 28	+\$ 33,187 97
PREPAID INSURANCE	\$ 5,734 64	\$ 4,721 29	+\$ 1,013 35
SUPPLIES ON HAND—			
General store	\$ 243,527 99	\$ 137,959 21	+\$ 105,568 78
Fuel store	37,994 36	25,831 50	+ 12,162 86
Bridge and building store	52,791 57	62,318 64	- 9,527 07
Superintendent's store	20,328 20	—	+ 20,328 20
Cross tie store	13,577 37	34,872 93	- 21,295 56
Steel rail store	2,274 34	1,885 03	+ 389 31
Second-hand rail store	15,437 49	20,812 27	- 5,374 78
Stationery store	5,549 87	6,547 90	- 998 03
Commissary store	379 01	—	+ 379 01
Material suspense account	385 07	—	+ 385 07
War revenue stamps	706 61	1,085 00	- 378 39
	\$ 392,951 88	\$ 291,312 48	+\$ 101,639 40
Total current assets (carried forward)	\$1,051,487 65	\$ 728,553 07	+\$ 322,934 58

EXHIBIT 8—Continued.

CURRENT ASSETS AND DEFERRED AND CURRENT LIABILITIES.

ENTIRE SYSTEM.	June 30, 1899.	June 30, 1898.	+ Increase, — Decrease, This year.
Total current assets (<i>brought forward</i>)	\$1,051,487 65	\$ 728,553 07	+\$ 322,934 58
DEFERRED AND CURRENT LIABILITIES.			
DEFERRED—			
Notes payable—due on stated dates after July 1st	\$ 3,000 00	\$ 337,639 47	-\$ 334,639 47
Interest on bonds, accrued not due . . .	314,745 83	133,333 33	+ 181,412 50
Taxes accrued to June 30th—not due until December 31st.	65,535 57	64,381 07	+ 1,154 50
Hospital fund	2,993 49	1,345 24	+ 1,648 25
	\$ 386,274 89	\$ 536,699 11	-\$ 150,424 22
CURRENT—			
Audited vouchers unpaid	\$ 219,912 19	\$ 557,718 35	-\$ 337,806 16
Audited pay rolls unpaid	269,110 06	279,007 50	- 9,897 44
Interest on bonds—due and unpaid (un-presented coupons).	44,405 00	34,180 00	+ 10,225 00
Notes payable—due on demand	—	49,000 00	- 49,000 00
	\$ 533,427 25	\$ 919,905 85	-\$ 386,478 60
Total deferred and current liabilities	\$ 919,702 14	\$1,456,604 96	-\$ 536,902 82
Liabilities in excess of current assets . . .	—	\$ 728,051 89	} +\$859,837 40
Current assets in excess of liabilities . . .	\$ 131,785 51	—	
Market value, June 30th, of other available assets owned by the company, consisting of investments in stocks and bonds, as shown by Exhibit M. page 21	169,762 70	74,987 37	+ 94,775 33
Excess liabilities	—	\$ 653,064 52	} +\$954,612 73
Excess assets	\$ 301,548 21	—	

EXHIBIT T.

MISCELLANEOUS ACCOUNTS (LIABILITIES).
ENTIRE SYSTEM.

DESCRIPTION.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.
Equipment replacement fund	\$140,881 44	\$104,768 85	\$36,112 59
Donated town lot sales	6,707 20	5,849 75	857 45
Total	\$147,588 64	\$110,618 60	\$36,970 04

EXHIBIT U.

SUMMARY OF FINANCIAL TRANSACTIONS—ENTIRE SYSTEM.

YEAR ENDED JUNE 30TH, 1899.

The following statement, considered in connection with the foregoing financial exhibits, furnishes, in a condensed form, an analysis of all resources; showing, also, how the same were appropriated, during the fiscal year ended June 30th, 1899.

RESOURCES.		
Cash balance July 1st, 1898		\$ 90,777 62
Gross earnings from operation	\$5,862,338 51	
Miscellaneous income	84,457 05	
Proceeds sale of 2d mortgage income bond certificates:		
1,000 ctfs., par value \$1,000,000.00, sold for	480,597 50	
Second mortgage income bond ctfs. issued: 1,000 ctfs., par value \$1,000.00 each	1,000,000 00	
Gray's Point Terminal Ry. Co. 1st mortgage bonds, guaranteed: 339 bonds, par value \$1,000.00 each	339,000 00	
Increase in equipment trust obligations: Notes issued (covering deferred payments and interest) for new equipment purchased	\$ 260,470 24	
Less equipment trust obligations paid	95,536 30	164,933 94
Decrease in construction accounts	808 14	
Increase in miscellaneous liabilities	36,970 04	7,969,105 18
		<u>\$8,059,882 80</u>
APPROPRIATION OF RESOURCES.		
Operating expenses (including betterments)	\$4,209,088 15	
Interest on bonds, taxes and all other payments charged against income	1,158,030 14	
Compromise settlement of suits, judgments, etc., vs. Receivers St. L., A. & T. Ry	18,434 25	
Increase in cost of road and equipment: 2d mortgage income bond certificates issued: 1,000 certificates, par value \$1,000.00 each	\$1,000,000 00	
New equipment	284,745 31	
Right of way settlements.	3,996 04	1,288,741 35
Gray's Point Terminal Ry.—Leasehold	339,000 00	
Increase in stocks and bonds owned	60,851 71	
Increase in current assets (exclusive of cash in hands of Treasurer)	330,059 32	
Decrease in deferred liabilities	150,424 22	
Decrease in current liabilities	386,478 60	
Increase in miscellaneous assets	35,122 18	7,976,229 92
Cash balance June 30th, 1899		<u>\$ 83,652 88</u>

TRAFFIC.

FREIGHT TRAFFIC.

TONNAGE AND REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Per cent.	Decrease	Per cent.
Number of revenue tons carried	1,887,609	1,773,333	114,276	6.44	—	—
Number of revenue tons carried one mile . . .	380,660,588	358,109,737	22,550,851	6.30	—	—
Number of revenue tons carried one mile per mile of road	304,577	292,813	11,764	4.02	—	—
Average distance haul of one revenue ton (miles)	201.66	201.94	—	—	.28	.14
*Total freight revenue .	\$4,619,985.26	\$4,138,932.01	\$481,053.25	11.62	—	—
*Average revenue per revenue ton	\$2.4475	\$2.3340	\$0.1135	—	—	—
*Average revenue per revenue ton per mile .	\$0.0121	\$0.0116	\$0.0005	—	—	—

*Actual revenue derived from hauling freight, not including any portion of miscellaneous revenue.

The number of revenue tons carried for the fiscal year ended June 30th, 1899, shows an increase of 6.44 per cent., and the number of revenue tons carried one mile increased 6.30 per cent.

The density of freight traffic on the line is indicated by the number of revenue tons carried one mile per mile of road, which shows an increase for the fiscal year just ended of 11,764 tons, or 4.02 per cent.

Following this will be found a comparative table of classified tonnage, showing the number of tons of each commodity transported, as well as the increase or decrease in the tonnage of each commodity, the per cent. thereof, and the relative per cent. of each commodity to the total tonnage. In the lower part of this table will be found comparative exhibits of the tonnage originating on this system, the tonnage received from connecting lines, and the per cent. of each; also the tonnage northbound, southbound, and the per cent. in each direction:

CLASSIFICATION OF TONNAGE—ENTIRE SYSTEM.

TOTAL REVENUE TONNAGE TRANSPORTED.

COMMODITIES.	Year ended June 30, 1899.		Year ended June 30, 1898.		Increase.		Decrease.	
	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.
Lumber	871,518	46.17	798,092	45.01	73,426	9.20	—	—
Cotton	193,061	10.23	156,383	8.81	36,678	23.45	—	—
Cotton seed products . .	147,307	7.80	130,720	7.37	16,587	12.69	—	—
Grain	108,916	5.77	127,915	7.21	—	—	18,999	14.85
Flour	43,345	2.29	38,937	2.20	4,408	11.32	—	—
Other mill products . . .	20,272	1.07	36,706	2.07	—	—	16,434	44.77
Hay	25,273	1.34	33,678	1.90	—	—	8,405	24.96
Tobacco	744	.04	611	.03	133	21.77	—	—
Fruit and vegetables . .	39,903	2.11	25,202	1.42	14,701	58.33	—	—
Live stock	51,801	2.74	65,562	3.70	—	—	13,761	20.99
Packing house products.	19,842	1.05	21,783	1.23	—	—	1,941	8.91
Merchandise	96,627	5.12	85,343	4.82	11,084	12.96	—	—
Coal	48,667	2.58	47,479	2.67	1,188	2.50	—	—
Oil	25,778	1.37	20,698	1.17	5,080	24.54	—	—
Sugar and molasses . . .	8,597	.46	10,602	.60	—	—	2,005	18.91
Agricultural implements	3,388	.18	3,614	.20	—	—	226	6.25
Household goods	8,252	.44	9,504	.54	—	—	1,252	13.17
Salt	10,646	.56	8,455	.48	2,191	25.91	—	—
Wine, liquors and beer .	8,410	.45	8,644	.49	—	—	234	2.71
Miscellaneous	155,262	8.23	143,205	8.08	12,057	8.42	—	—
Total	1,887,609	100.00	1,773,333	100.00	114,276	6.44	—	—
Tonnage originating on this system	1,227,617	65.04	1,139,377	64.25	88,240	7.74	—	—
Tonnage received from connecting lines . . .	659,992	34.96	633,956	35.75	26,036	4.11	—	—
Total	1,887,609	100.00	1,773,333	100.00	114,276	6.44	—	—
Tonnage northbound . .	1,070,615	56.72	955,619	53.89	114,996	12.03	—	—
Tonnage southbound . .	816,994	43.28	817,714	46.11	—	—	720	.09
Total	1,887,609	100.00	1,773,333	100.00	114,276	6.44	—	—

A consideration of the foregoing table for the fiscal year ended June 30th, 1899, shows that the tonnage of lumber forms 46.17 per cent. of the total tonnage transported. The increase in the tonnage of this commodity for the current fiscal year over the preceding year was 9.20 per cent.

The cotton crop in the territory tributary to this line was exceptionally good during the fiscal year ended June 30th, 1899, and resulted in an increased movement of this commodity of 23.45 per cent. The total number of bales handled this year was 742,574, as against 607,624 bales handled during the preceding year.

Cotton seed products show an increase of 12.69 per cent., which is directly traceable to the increased cotton crop.

The notable decreases of 14.85 per cent. in the tonnage of grain, and of 44.77 per cent. in the tonnage of other mill products, are due to the fact that comparatively little grain was handled to the Gulf during the current fiscal year, whereas in the preceding year the grain movement from the West to the Gulf was unusually heavy.

Particular attention is called to the large increase in the tonnage of fruit and vegetables, which reflects the continued development of the agricultural resources of the country contiguous to this line.

Live stock shows a decrease of 20.99 per cent., which is explained by the scarcity of stock cattle in Texas, resulting in a restricted movement to the markets.

It will be noted that there was a substantial increase in the tonnage of merchandise and miscellaneous freight for the current fiscal year. This tonnage consists principally of car-load shipments of manufactured articles and less than car-load shipments of merchantable goods, and reflects the healthy condition of the territory served by this line.

The tonnage originating on the system shows an increase of 7.74 per cent. over the preceding year, while the tonnage

received from connecting lines shows an increase of 4.11 per cent. It is worthy of note that the tonnage originating on the system comprised 65.04 per cent. of the total tonnage transported.

Reference to the last exhibit in this table shows that the tonnage northbound increased 12.03 per cent. whereas the tonnage southbound decreased .09 of one per cent. The tonnage northbound formed 56.72 per cent., and the tonnage southbound 43.28 per cent., of the total tonnage transported during the fiscal year ended June 30th, 1899.

PASSENGER TRAFFIC.

PASSENGERS CARRIED AND REVENUE—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Per cent.	Decrease.	Per cent.
Number of passengers carried .	899,048	828,538	70,510	8.51	—	—
Number of passengers carried one mile	38,373,916	37,153,691	1,220,225	3.28	—	—
Number of passengers carried one mile per mile of road . .	30,704	30,379	325	1.07	—	—
Average distance one passenger carried (miles)	42.68	44.84	—	—	2.16	4.82
*Total passenger revenue . . .	\$910,867.27	\$854,121.45	\$56,745.82	6.64	—	—
*Average revenue per passenger	\$1.0131	\$1.0309	—	—	\$0.0178	1.73
*Average revenue per passenger per mile	\$0.0237	\$0.0230	\$0.0007	3.04	—	—

*Actual revenue derived from hauling passengers, not including mail and express, nor any portion of miscellaneous revenue.

Passenger traffic during the current fiscal year shows a substantial gain over the preceding year, the increased travel being due to the generally improved business conditions.

The number of passengers carried increased 8.51 per cent., and the number carried one mile 3.28 per cent., while the average distance one passenger carried decreased 2.16 miles, or 4.82 per cent.

The increased density of passenger traffic on the line is shown by the number of passengers carried one mile per mile of road, which increased 1.07 per cent.

The gain in total passenger revenue was 6.64 per cent., but it will be noted that the average revenue per passenger declined 1.73 per cent., which is explained by the shorter distance haul per passenger during the current fiscal year as compared with the preceding year. The average revenue per passenger per mile increased 3.04 per cent., indicating that passenger rates were well maintained during the current fiscal year.

NEW INDUSTRIES.

The development of the resources of the country tributary to this line was given close attention during the current fiscal year, and a number of new industries—notably, cotton compresses for both square and round bales, cotton oil mills, saw mills, stave factories, etc.—were located at various points on the line.

The oil wells at Corsicana (Tex.) continue to produce good results. During the current fiscal year 504 new wells were bored, of which 74 were dry, 21 abandoned, and 403 produced oil in good quantities and 6 produced gas. The average daily output of oil from the Corsicana wells during the current fiscal year was 2,100 barrels.

CONDUCTING TRANSPORTATION.

TRAIN AND CAR MILEAGE STATISTICS—ENTIRE SYSTEM.

FREIGHT.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Per cent.	Decrease.	Per cent.
Total number of freight cars owned and leased (all classes) at close of the year.	5,237	5,148	89	1.73	—	—
Average number of freight cars in service during the year.	5,019	4,593	426	9.27	—	—
Number of miles run by all freight trains (including mixed trains)	2,121,358	2,187,854	—	—	66,496	3.04
Number of miles run by freight cars on this line—						
Loaded	32,542,857	31,261,518	1,281,339	4.10	—	—
Empty	10,553,322	12,317,032	—	—	1,763,710	14.32
All.	43,096,179	43,578,550	—	—	482,371	1.11
Home	23,261,396	20,195,428	3,065,968	15.18	—	—
Foreign	19,834,783	23,383,122	—	—	3,548,339	15.17
Number of miles run by home cars on foreign lines.	17,254,603	11,945,326	5,309,277	44.45	—	—
Percentage of empty car mileage to total car mileage.	24.49	28.26	—	—	3.77	13.34
Average number of cars in each freight train—						
Loaded	15.34	14.29	1.05	7.35	—	—
Empty.	4.97	5.63	—	—	.66	11.72
All.	20.31	19.92	.39	1.96	—	—
Average load—						
Per loaded car (revenue tons).	11.70	11.46	.24	2.09	—	—
Per train (revenue tons).	179.44	163.68	15.76	9.63	—	—
Average number of miles run per car per day—						
On this line—home	25	25	—	—	—	—
On this line—foreign	24	23	1	4.35	—	—
On foreign lines—home.	21	18	3	16.67	—	—
PASSENGER.						
Total number of passenger cars owned (all classes) at close of the year.	111	94	17	18.09	—	—
Average number of passenger cars in service during the year	105	95	10	10.53	—	—
Number of miles run by pass. trains (not includ. mixed trains)	1,465,917	1,459,200	6,717	.46	—	—
Number of miles run by passenger cars on this line—						
Home	5,475,881	5,144,441	331,440	6.44	—	—
Foreign	1,121,766	1,138,049	—	—	16,283	1.43
All.	6,597,647	6,282,490	315,157	5.02	—	—
Average number of cars in each passenger train.	4.29	4.10	.19	4.63	—	—
Average number of miles run per car per day—						
Home	163	164	—	—	1	.61
Foreign	110	111	—	—	1	.90

FREIGHT.

The average number of freight cars in service during the current fiscal year shows an increase over the preceding year of 9.27 per cent. This increase is due principally to the addition to freight equipment of 500 stable cars leased from the Mather Humane Stock Transportation Company, delivered on the line in April, May and June, 1898, and 200 new box cars delivered in October, 1898.

The mileage of freight trains decreased 3.04 per cent., and the mileage of all freight cars decreased 1.11 per cent. These results are especially gratifying in view of the increase of 6.30 per cent. in the number of revenue tons carried one mile, and are due to the tonnage system of train loading, which was introduced on the line in February, 1899. Under this new system trains are loaded heavier than heretofore, which permits the tonnage movement to be handled with less train service, and it is expected that even better results will follow a continuance of this system during the ensuing fiscal year. In this connection, attention is called to the average load per train (revenue tons), which shows an increase of 9.63 per cent. for the current fiscal year.

The mileage of empty cars decreased 14.32 per cent., which was brought about by a more general loading of cars in both directions, thus reducing the return empty movement.

Following this will be found a table showing the amount paid and received for mileage and hire of freight cars during the current fiscal year, compared with the preceding year, from which it will be noted that the amount paid by this company for mileage and hire of equipment in excess of such amounts received, decreased 21.25 per cent:

**AMOUNTS PAID AND RECEIVED FOR MILEAGE AND HIRE OF
FREIGHT CARS.**

DESCRIPTION.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Per cent.	De- crease.	Per cent.
AMOUNTS PAID—						
For mileage of foreign freight cars on this line	\$128,539 19	\$149,024 50	—	—	\$20,485 31	—
For hire of freight cars (500 stock)	39,428 64	*4,530 72	\$34,897 92	—	—	—
Total	\$167,967 83	\$153,555 22	\$14,412 61	9.39	—	—
AMOUNTS RECEIVED—						
For mileage of St. L. S. W. Ry. System freight cars on foreign roads	104,840 05	73,395 89	31,444 16	42.84	—	—
Net balance paid out . . .	\$ 63,127 78	\$ 80,159 33	—	—	\$17,031 55	21.25

* These cars were not received until the close of the fiscal year ended June 30th, 1898 (during April, May and June), which will explain comparison with current fiscal year.

PASSENGER.

The average number of passenger cars in service during the current fiscal year shows an increase of 10.53 per cent., which is explained by the addition of eight chair cars and four parlor cars to passenger equipment.

The number of miles run by home passenger cars on this line increased 6.44 per cent., and is directly traceable to the increased travel due to improved business conditions.

The number of miles run by foreign passenger cars on this line shows a decrease of 1.43 per cent., which was brought about by the substitution in January, 1899, of this company's parlor cars on day trains in the place of Pullman sleepers.

MAINTENANCE OF WAY AND STRUCTURES.

ROAD DEPARTMENT.

During the current fiscal year the roadway and track have been fully maintained and the general condition thereof substantially improved, as will be seen by reference to the following exhibits:

CHARACTER OF RAIL IN MAIN TRACK, JUNE 30TH, 1899.

LOCATION.	75-lb. Steel. Track miles.	60-lb. Steel. Track miles.	56-lb. Steel. Track miles.	55-lb. Steel. Track miles.	35-lb. Steel. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWEST- ERN RY. CO.						
Main line	53.93	—	364.07	—	—	418.00
New Madrid branch	—	—	—	—	5.70	5.70
Delta branch . . .	—	—	51.40	—	—	51.40
Little Rock branch	—	—	41.70	—	—	41.70
Shreveport branch .	—	—	59.50	—	—	59.50
Gray's Point Ter- minal Ry. Co. . .	—	—	—	16.40	—	16.40
Total	53.93	—	516.67	16.40	5.70	592.70
ST. LOUIS SOUTHWEST- ERN RY. CO. OF TEXAS—						
Main line	—	6.15	289.00	—	9.45	304.60
Sherman branch . .	—	—	109.90	—	—	109.90
Ft. Worth branch .	—	—	97.20	—	—	97.20
Hillsboro branch .	—	—	40.00	—	—	40.00
Total	—	6.15	536.10	—	9.45	551.70
TYLER SOUTHEASTERN RY. CO.—						
Main line	—	—	.17	—	88.43	88.60
ENTIRE SYSTEM—						
June 30th, 1899 . .	53.93	6.15	1,052.94	16.40	103.58	1,233.00
June 30th, 1898 . .	45.27	—	1,058.54	—	119.19	1,223.00
Increase, this year	8.66	6.15	—	16.40	—	10.00
Decrease, this year	—	—	5.60	—	15.61	—

The following table contains a summary of the new steel rail, weighing 75 pounds to the yard (the standard heretofore adopted), purchased and placed in main track, and leads to side tracks, to June 30th, 1899, and the amount remaining on hand at that date:

NEW 75-POUND STEEL RAIL, PURCHASED AND PLACED IN TRACK.

ITEM.	Tons.	Track miles.
PURCHASED—		
During fiscal year ended June 30th, 1895 . .	1010 $\frac{1100}{1140}$	8.58
During fiscal year ended June 30th, 1896 . .	2120 $\frac{550}{1140}$	17.99
During fiscal year ended June 30th, 1897 . .	301 $\frac{110}{1140}$	2.56
During fiscal year ended June 30th, 1898 . .	2089 $\frac{110}{1140}$	17.73
During fiscal year ended June 30th, 1899 . .	902 $\frac{370}{1140}$	7.65
Total purchased	6424 $\frac{240}{1140}$	54.51
PLACED IN TRACK—		
During fiscal year ended June 30th, 1895 . .	522 $\frac{110}{1140}$	4.43
During fiscal year ended June 30th, 1896 . .	1069 $\frac{110}{1140}$	9.08
During fiscal year ended June 30th, 1897 . .	1272 $\frac{110}{1140}$	10.80
During fiscal year ended June 30th, 1898 . .	2557 $\frac{550}{1140}$	21.70
During fiscal year ended June 30th, 1899 . .	998 $\frac{405}{1140}$	8.47
Total placed in track	6420 $\frac{200}{1140}$	54.48
Balance on hand June 30th, 1899	3 $\frac{180}{1140}$	.03

CHARACTER OF BALLAST IN MAIN TRACK, JUNE 30TH, 1899.

DESCRIPTION.	Ballasted this year. Track miles.	Total ballasted. Track miles.	Not ballasted. Track miles.	Total. Track miles.
ST. LOUIS SOUTHWESTERN RY. CO.—				
Rock	—	3.84	—	3.84
Gravel and sand	2.74	219.78	—	219.78
Cinders	—	19.32	—	19.32
Natural soil and length of bridges and trestles . . .	—	—	349.76	349.76
Total	2.74	242.94	349.76	592.70
ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS—				
Rock	2.23	94.03	—	94.03
Gravel and sand	—	132.95	—	132.95
Cinders	—	25.69	—	25.69
Natural soil and length of bridges and trestles . . .	—	—	299.03	299.03
Total	2.23	252.67	299.03	551.70
TYLER SOUTHEASTERN RY. CO.—				
Rock	—	.34	—	.34
Gravel and sand	—	1.42	—	1.42
Cinders	—	1.28	—	1.28
Natural soil and length of bridges and trestles . . .	—	—	85.56	85.56
Total	—	3.04	85.56	88.60
ENTIRE SYSTEM—				
Rock	2.23	98.21	—	98.21
Gravel and sand	2.74	354.15	—	354.15
Cinders	—	46.29	—	46.29
Natural soil and length of bridges and trestles . . .	—	—	734.35	734.35
Total	4.97	498.65	734.35	1,233.00

FENCING ON RIGHT OF WAY, JUNE 30TH, 1899.

LOCATION.	Linear miles of fence.	
	Built this year.	Total June 30, 1899.
St. Louis Southwestern Ry. Co.	163.66	485.27
St. Louis Southwestern Ry. Co. of Texas . .	192.03	653.78
Tyler Southeastern Ry. Co.	—	.45
Entire system	355.69	1,139.50

DESCRIPTION OF TELEGRAPH LINES—ENTIRE SYSTEM.

MILEAGE.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.
Miles of railroad	1,233.0	1,223.0	10.0
Miles of wire owned by this company (on poles owned by W. U. Tel. Co.)	1,238.0	1,074.0	164.0
Miles of wire owned by Western Union Tel. Co.	2,870.0	2,854.0	16.0

The telegraph wires are operated jointly by the Western Union Telegraph Company and this company.

During the current fiscal year sixty-seven miles of new wire were erected by this company between Mt. Pleasant and Tyler, Texas, and ninety-seven miles between Commerce and Ft. Worth, Texas, making a total of one hundred sixty-four miles, for the exclusive use of this line. Sixteen miles of new wire were erected between Delta and Gray's Point, Mo., by the Western Union Telegraph Company for joint use and operation.

COMPARATIVE STATEMENT OF MAINTENANCE AND IMPROVEMENTS IN ROAD DEPARTMENT,
DURING YEARS ENDED JUNE 30th, 1899-98.

CHARACTER OF WORK.	St. L. S. W. Ry. Co.		St. L. S. W. Ry. Co. of Texas.		T. S. H. Ry. Co.		Entire System.	
	Year ended June 30, 1899.	Year ended June 30, 1898.	Year ended June 30, 1899.	Year ended June 30, 1898.	Year ended June 30, 1899.	Year ended June 30, 1898.	Year ended June 30, 1899.	Year ended June 30, 1898.
Miles of track ditched by plow	47.9	52.8	—	12.9	—	—	47.9	65.7
Miles of track ballasted	2.7	3.0	2.2	2.1	—	2.0	4.9	7.1
Miles of track laid with 75-lb. steel	8.4	21.7	—	—	—	—	8.4	21.7
Miles of track laid with 60-lb. steel	—	—	6.3	—	—	—	6.3	—
Miles of track laid and relaid with 56-lb. steel	3.9	4.2	11.1	20.6	.1	.1	15.1	24.9
Miles of track laid and relaid with 35-lb. steel	6.6	4.4	9.8	1.9	1.0	2.0	17.4	8.3
Miles of new saw mill spurs, private and side tracks	5.9	4.6	7.8	2.5	.3	.6	14.0	7.7
Miles of old side tracks taken up	1.7	2.1	1.3	2.1	.1	1.2	3.1	5.4
Number of cross-ties placed in track	260,881	387,216	197,130	269,006	34,205	29,160	492,216	685,382
Sets of switch ties placed in track	104	130	129	129	3	3	236	262

BRIDGE AND BUILDING DEPARTMENT.

The work of maintenance and renewals of bridges, trestles and other structures has been steadily carried on during the fiscal year ended June 30th, 1899.

The two tables immediately following furnish the location and description of all permanent spans, and the location by sections and length of trestle bridging, on June 30th, 1899:

BRIDGES—STATEMENT OF PERMANENT SPANS JUNE 30TH, 1899.

LOCATION.	Mile post.*	No. of spans.	Length, each.	Total length.	Kind of structure.	Class.†	Year built.
ST. LOUIS SOUTHWESTERN R'Y Co.—			Feet.	Feet.			
St. Francis river	70	1	100	100	Plate girder draw	A	1892
White river	214.6	1	355	—	Pin connected draw	A	1892
" "	214.6	1	152	—	Pin connected truss	X	1896
" "	214.6	1	87	594	Plate girder	X	1896
Arkansas river	261	1	65	—	Plate girder	A	1891
" "	261	1	428	—	Pin connected draw	A	1891
" "	261	5	200	—	Pin connected truss	A	1888
" "	261	1	100	1,593	Pin connected truss	A	1891
Saline river	294.5	2	50	—	Plate girder	A	1890
" "	294.5	1	150	250	Pin connected truss	A	1890
Moro river	302.7	1	80	80	Plate girder	A	1893
Ouachita river	335.9	1	290	290	Pin connected draw	A	1891
Red river	396.8	1	300	—	Pin connected draw	C	1883
" "	396.8	1	200	—	Pin connected truss	A	1888
" "	396.8	1	62	562	Plate girder	B	1886
Backwater river	I 3	1	100	100	Pin connected truss	A	1890
Whitewater river	I 8.2	1	140	140	Pin connected truss	A	1890
Castor river	I 19.6	1	130	130	Pin connected truss	A	1893
Total	—	23	—	3,839	—	—	—
ST. LOUIS SOUTHWESTERN R'Y Co. OF TEXAS—							
Sabine river	526	1	152	152	Pin connected truss	X	1896
Trinity river	599.3	1	200	200	Pin connected truss	A	1890
Tehuacana river	669.8	1	95	95	Plate girder	A	1893
Brazos river	675.8	3	150	—	Pin connected truss	B	1886
" "	675.8	2	54	558	Plate girder	B	1886
South Bosque river	687.5	1	150	150	Pin connected truss	B	1892
Harris creek	689.5	1	70	70	Plate girder	A	1890
León river, 1st crossing	706.8	1	125	125	Pin connected truss	B	1886
" " 2d crossing	711.5	1	125	125	Pin connected truss	B	1886
Cedar creek	D-582.1	1	125	125	Pin connected truss	B	1888
Choctaw creek	D-583.7	1	125	125	Pin connected truss	B	1888
East Fork Trinity river	C-574.2	1	97	97	Plate girder	X	1894
Rowlett's creek	C-584.5	1	110	110	Pin connected truss	X	1894
Spring creek	C-589.6	1	110	110	Pin connected truss	X	1894
Prairie creek	C-591.5	1	80	80	Riveted girder	A	1890
White Rock creek	C-596.1	1	110	110	Pin connected truss	X	1894
Richland creek	F-647.7	1	125	125	Pin connected truss	A	1890
Total	—	20	—	2,357	—	—	—
ENTIRE SYSTEM	—	43	—	6,196	—	—	—

*NOTE.—Location of mile posts; without prefix, Main line; I, Delta branch; D, Sherman branch; C, Fort Worth branch; F, Hillsboro branch.

†NOTE.—Class A, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,000 pounds per linear foot.
Class B, sufficient to carry two consolidation engines coupled, followed by a rolling load of 2,240 pounds per linear foot.
Class C, sufficient to carry two mogul engines coupled, followed by a rolling load of 2,000 pounds per linear foot.
Class X, sufficient to carry two consolidation engines coupled, followed by a rolling load of 3,400 pounds per linear foot.

**BRIDGES—STATEMENT OF TRESTLE BRIDGING,
JUNE 30TH, 1899.**

LOCATION.	LENGTH.	
	In linear feet.	In miles.
ST. LOUIS SOUTHWESTERN R'Y CO.—		
Bird's Point incline	1,326	.25
Bird's point section	26,223	4.97
Jonesboro section	33,537	6.35
Pine Bluff section	45,555	8.63
Gray's Point branch	6,454	1.22
Little Rock branch	4,106	.78
Shreveport branch	4,658	.88
Total	121,859	23.08
ST. LOUIS SOUTHWESTERN R'Y CO. OF TEXAS—		
Texarkana section	34,715	6.57
Tyler section	29,759	5.64
Waco section	4,246	.80
Ft. Worth branch	19,137	3.62
Sherman branch	19,829	3.76
Hillsboro branch	4,628	.88
Total	112,314	21.27
TYLER SOUTHEASTERN R'Y CO.—		
Tyler to Lufkin	13,098	2.48
ENTIRE SYSTEM, June 30th, 1899		
ENTIRE SYSTEM, June 30th, 1898	247,271	46.83
	252,132	47.75
Decrease, this year	4,861	.92

RENEWALS AND IMPROVEMENTS IN BRIDGE AND BUILDING DEPARTMENT (COMPLETED STRUCTURES ONLY), YEAR ENDED JUNE 30TH, 1899.

ST. LOUIS SOUTHWESTERN R'Y CO.		Cost.
Red river protection, M. P. 397 near Garland City, Ark.		\$ 15,144 23
New wooden trestles	9,636 Linear feet	39,325 78
Strengthening Red river draw		8,846 59
Barge—Red river	1	170 34
Landing barge, Gray's Point, Mo.	1	3,686 06
Cast iron double culvert	96 Linear feet	617 78
Log culvert	1	53 84
Double tile drains	160 Linear feet	483 16
Single tile drains	135 Linear feet	271 21
Bois d'arc boxes	428 Linear feet	988 98
Extension drain at Shreveport	64 Feet	115 57
Wire fence	163 Miles, 3,501 ft. of fence .	16,777 63
Farm gates	144	1,026 68
Station platforms (gravel)	22,150 Square feet	293 82
Station platforms (wood)	1,936 Square feet	194 01
Cotton platforms (wood)	8,896 Square feet	657 49
Station buildings	1	763 97
Station buildings (extensions)	2	1,368 02
Transfer shed at McNeil, Ark. ($\frac{1}{2}$ cost)	1	194 51
Wooden truck way		38 47
Pavilion at Baumcum, Ark.		91 04
Water closets	14	658 70
Station coal bins	4	151 97
Engine coal bins	1	151 66
Water station coal bin	1	84 60
Stock pens	5	722 03
Portable stock chute	1	38 34
Wagon bridges	2	47 59
Bridge alarms	2	59 77
Track scales rebuilt	2	739 82
Warehouse scales	1	37 00
Cattle guards (pit)	101	3,266 18
Cattle guards (surface)	14	299 64
Motive power room and office, at Pine Bluff, Ark.	1	8,729 54
Foundation for air compressor, at Pine Bluff, Ark.	1	137 37
Vreeland drop pit at Pine Bluff, Ark.		624 62
Tool house	1	91 52
Section tool houses	14	610 09
Moving section house from Day, Mo.		452 51
Turntable rebuilt and strengthened at Camden, Ark.	1	703 16
Planer foundation	1	42 91
Water tanks, frames and wells	2	3,108 27
Gasoline pump, house and tank pit	1	863 85
Well pit, pump and pump house	1	1,378 89
Pump houses	2	237 34
Water tank seat	1	120 47
Storm sewer at Shreveport ($\frac{1}{2}$ cost)		248 01
Ice box for buffet supplies at Texarkana ($\frac{1}{2}$ cost)		37 50
Cottage at Gray's Point (3 rooms)		375 24
Mail cranes	7	105 49
Total, fiscal year ended June 30th, 1899		\$115,233 26
Total, fiscal year ended June 30th, 1898		118,925 38
Decrease this year		\$ 3,692 12

RENEWALS AND IMPROVEMENTS—Continued.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS.			Cost.
New wooden trestles	13,206	Linear feet	\$68,419 63
Culverts (iron)	96	Linear feet	95 65
Single tile drain	32 ¹ / ₂	Linear feet	168 15
Bois d'arc boxes	1,382	Linear feet	1,800 11
Wire fence	192	Miles, 140 ft. of fence	19,139 09
Farm gates	311		1,945 24
Section house addition	1		144 58
Woven wire fence at Tyler, Texas	8,530	Feet of fence	270 55
Special fence	220	Linear feet	52 60
Board fence	2,480	Linear feet	366 09
Station platforms (wood)	14,591	Square feet	950 13
Station platforms (gravel)	10,734	Square feet	190 71
Freight platform rebuilt	1		410 90
Cotton platforms	28,272	Square feet	1,918 75
Coal storage bin at Tyler, Texas	1		194 02
Cattle guards (pit)	222		5,725 01
Cattle guards (surface)	43		1,314 34
Cattle guard (Lynch)	1		26 00
Stock pens	6		751 66
Saw-dust bins	2		51 01
Station buildings (extensions)	2		761 75
New joint union passenger depot at Commerce, Texas (¹ / ₂ cost)			5,491 30
Water closets	3		103 11
Station coal bins	4		276 75
Painting depot at Barry, Texas	1		53 98
Grain houses	2		1,096 11
Telegraph office and platform at Wolfe City (¹ / ₂ cost)	1		352 37
Telegraph store room at Tyler (¹ / ₂ cost)	1		134 76
Telephone booths	2		121 03
Pigeon hole case	1		57 32
Assistant Superintendent's office B. & B. Dept.	1		216 58
Car repairers' houses	2		203 86
Car shed	1		4,463 61
Car shed store room	1		115 45
Car shed floor (gravel)	14,240	Square feet	58 15
Car shed material platform	1		34 45
Hand-car shop	1		107 70
20-stall brick roundhouse and two-story office building, at Tyler, Texas	1		20,297 82
Foundation for air compressor at Tyler, Tex.	1		156 61
Boiler shop	1		55 88
Stationery boiler house	1		238 49
Oil house	1		761 22
Casting platform	1		58 90
Casting bin	1		115 41
Hose-reel house	2		109 46
Tool houses	12		578 15
Foundations for machines	11		227 32
Spring furnace at Tyler, Texas	1		78 65
Time register house	1		76 16
Iron rack	1		233 45
Sand bins	2		481 99
Cinder pit drain	250	Linear feet	53 26
Water tank, pump house and water column	1		1,991 31
Amount carried forward			\$143,096 58

RENEWALS AND IMPROVEMENTS—*Continued.*

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS.			Cost.
<i>Amount brought forward</i>			\$143,096 58
Water tank and frame	1		1,482 51
Water tank and frame, taken down and recrested	1		310 94
Well and cistern houses	2		33 51
Dam and waste way	1		370 14
Pump house moved and rebuilt	1		26 82
Fuel oil tank frame	1		95 33
Water station coal bins	1		69 85
Wells for drinking purposes	2		109 46
Turn tables	3		2,881 97
Track scales rebuilt	4		1,039 91
Ellis' bumping post	3		237 56
Ice box for buffet supplies at Texarkana ($\frac{1}{2}$ cost)			37 50
Excavation of pond	1		1,070 71
Sewerage at Tyler, Tex.	508	Linear feet	237 19
Water car tubs	1		21 21
Total, fiscal year ended June 30th, 1899			\$151,121 19
Total, fiscal year ended June 30th, 1898			95,235 66
Increase this year			\$ 55,885 53
TYLER SOUTHEASTERN RY. CO.			Cost.
New wooden trestles	672	Linear feet	\$ 3,077 54
Bois d'arc boxes	77	Linear feet	260 79
Cotton platforms	1,536	Square feet	118 90
Cattle guards (pit)	3		83 67
Cattle guards (surface)	1		37 25
Train order signal	1		9 36
Farm gates	3		20 44
Water closet	1		23 99
Total, fiscal year ended June 30th, 1899			\$ 3,631 94
Total, fiscal year ended June 30th, 1898			8,504 58
Decrease this year			\$ 4,872 64
ENTIRE SYSTEM.			
Total, fiscal year ended June 30th, 1899			\$269,986 39
Total, fiscal year ended June 30th, 1898			222,665 62
Increase this year			\$ 47,320 77

MAINTENANCE OF EQUIPMENT.

Complete information showing the equipment on hand at the beginning and close of the current fiscal year, with changes therein during the year, and the operations of the motive power and car department for the current fiscal year, compared with the preceding fiscal year, will be found in the tables immediately following:

STATEMENT OF EQUIPMENT—ENTIRE SYSTEM.

CLASS.	On hand June 30, 1898.	Changes during year.				On hand June 30, 1899.
		Purchased.	Built and rebuilt.	Destroyed.	Sold.	
LOCOMOTIVES	130	6	1	—	2	135
PASSENGER CARS—						
Official	3	—	—	—	—	3
Parlor	—	4	—	—	—	4
Chair	9	8	—	—	—	17
Coaches	50	—	—	—	2	48
Combination	2	—	—	—	—	2
Baggage and express	8	—	—	—	—	8
Mail and express	18	2	4	—	—	24
Mail	4	—	—	—	—	4
Total	94	14	4	—	2	110
FREIGHT CARS—						
Refrigerator	25	—	—	—	—	25
Furniture	150	—	—	2	—	148
Caboose	71	—	—	—	—	71
Box	2,862	200	20	38	8	3,036
Stock	784	—	1	11	—	774
Flat	726	—	11	30	42	665
Tank	4	—	—	—	—	4
Coal	500	—	3	9	5	489
Cinder cars	11	—	—	—	—	11
Derricks	7	—	—	—	—	7
Steam shovels	2	1	—	—	2	1
Ditching plow	1	—	—	—	—	1
Plow cars	1	—	—	—	—	1
Pile driver cars	4	—	—	—	—	4
Total	5,148	201	35	90	57	5,237

STATEMENT OF NEW EQUIPMENT PURCHASED AND EQUIPMENT
REBUILT AT COMPANY SHOPS.

YEAR ENDED JUNE 30TH, 1899.

CLASS OF EQUIPMENT.	New Equipment purchased.		Equipment rebuilt to replace cars sold, wrecked and destroyed.		TOTAL.	
	No.	Cost.	No.	Cost.	No.	Cost.
Locomotives	6	\$65,160 00	1	\$ 7,521 73	7	\$ 72,681 73
Parlor cars	4	30,708 65	—	—	4	30,708 65
Chair cars	8	54,869 00	—	—	8	54,869 00
Mail and express cars	2	8,460 00	4	12,028 56	6	20,488 56
Box cars	200	107,807 08	20	10,196 05	220	118,003 13
Stock cars	—	—	1	416 01	1	416 01
Coal cars	—	—	3	1,102 74	3	1,102 74
Flat cars	—	—	11	2,982 38	11	2,982 38
Steam shovel cars	1	6,350 00	—	—	1	6,350 00
Total	221	\$273,354 73	40	\$34,247 47	261	\$307,602 20

REPAIRS AND MAINTENANCE OF EQUIPMENT—ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1899.		Year ended June 30, 1898.		Increase.		Decrease.	
	No.	Cost.	No.	Cost.	No.	Cost.	No.	Cost.
LOCOMOTIVES.								
Running repairs	1,229	\$65,083 15	1,332	\$63,585 57	—	\$ 1,497 58	103	—
Light repairs	238	33,355 14	103	13,748 05	135	19,607 09	—	—
Heavy repairs	46	30,753 40	53	28,467 88	—	2,285 52	7	—
General repairs	39	37,917 01	47	46,219 33	—	—	8	\$8,302 32
Rebuilding	5	17,542 02	2	12,117 00	3	5,425 02	—	—
Total	1,557	\$184,650 72	1,537	\$164,137 83	20	\$20,512 89	—	—
PASSENGER CARS.								
Running repairs	855	\$12,786 47	747	\$12,196 91	108	\$ 589 56	—	—
Light repairs	83	11,015 77	136	12,840 19	—	—	53	\$1,824 42
Heavy repairs	28	11,331 78	37	13,757 30	—	—	9	2,425 52
General repairs	8	8,330 09	2	6,494 32	6	1,835 77	—	—
Rebuilding	7	15,440 60	3	4,379 52	4	11,061 08	—	—
Total	981	\$58,904 71	925	\$49,668 24	56	\$ 9,236 47	—	—
FREIGHT CARS.								
Running repairs	42,843	\$107,311 23	46,751	\$132,280 77	—	—	3908	\$24,969 54
Light repairs	1,099	32,941 52	1,383	20,495 09	—	\$12,446 43	284	—
Heavy repairs	1,241	46,785 03	691	28,028 38	550	18,756 65	—	—
General repairs	336	24,773 82	318	25,305 94	18	—	—	532 12
Rebuilding	428	58,379 03	317	46,809 40	111	11,569 63	—	—
Total	45,947	\$270,190 63	49,460	\$252,919 58	—	\$17,271 05	3513	—
Entire Cost	48,485	\$513,746 06	51,922	\$466,725 65	—	\$47,020 41	3437	—

**PERFORMANCE AND COST OF OPERATING LOCOMOTIVES—
ENTIRE SYSTEM.**

ITEM.	Year ended June 30, 1899.	Year ended June 30, 1898.	Increase.	Decrease.
MILEAGE—				
Passenger (includes $\frac{1}{4}$ of mixed)	1,483,845	1,477,639	6,206	—
Freight (includes $\frac{3}{4}$ of mixed) . .	2,103,430	2,169,415	—	65,985
Switch	917,724	847,865	69,859	—
Work	181,379	211,255	—	29,876
Other service	121,412	94,776	26,636	—
Total	4,807,790	4,800,950	6,840	—
SUPPLIES USED—				
Tons of coal	185,761	172,626	13,135	—
Pints of illuminating oil	137,104	122,286	14,818	—
Pints of engine oil	186,775	205,448	—	18,673
Pints of valve oil	51,117	76,700	—	25,583
Pints of all oil	374,996	404,434	—	29,438
Pounds of waste	43,220	40,061	3,159	—
MILES RUN—				
Per ton of coal	25.88	27.81	—	1.93
Per pint of valve oil	94.05	62.59	31.46	—
Per pint of engine oil	25.74	23.37	2.37	—
Per pint of all oil	12.82	11.87	.95	—
Per pound of waste	111.24	119.84	—	8.60
COST OF OPERATING—				
Repairs	\$186,904 10	\$164,137 83	\$22,766 27	—
Stores (oil, waste and other supplies)	15,966 30	16,039 23	—	\$ 72 93
Fuel (including cost of handling)	351,610 55	339,340 65	12,269 90	—
Engineers, firemen and wipers .	345,751 18	345,103 30	647 88	—
Total	\$900,232 13	\$864,621 01	\$35,611 12	—
AVERAGE COST PER ENGINE MILE—				
Repairs	\$0 0389	\$0 0342	\$0 0047	—
Stores (oil, waste and other supplies)	0 0033	0 0033	—	—
Fuel (including cost of handling)	0 0731	0 0707	0 0024	—
Engineers, firemen and wipers .	0 0719	0 0718	0 0001	—
Total	\$0 1872	\$0 1800	\$0 0072	—
Average number of engines in service monthly	134	133	1	—
Average monthly mileage per engine	2,990	3,006	—	16

FUEL SUPPLY.

COAL.

COMPARATIVE STATEMENT OF COAL PURCHASED AND CONSUMED DURING YEARS ENDED JUNE 30TH, 1899-1898.

ENTIRE SYSTEM.

ITEM.	Year ended June 30, 1899.	Year ended June 30, 1898.	In- crease.	De- crease.
PURCHASED—				
Number of tons purchased . . .	194,854	182,524	12,330	—
Total cost of coal purchased, ex- cluding company freight . . .	\$323,526 76	\$326,657 18	—	\$3,130 42
Amount of company freight in- cluded in cost of coal purchased	26,099 55	8,746 84	\$17,352 71	—
Total cost of coal purchased, in- cluding company freight . . .	349,626 31	335,404 02	14,222 29	—
Average cost of coal per ton, ex- cluding company freight . . .	1 66	1 79	—	0 13
Average cost of coal per ton de- livered on line, including com- pany freight	1 79	1 84	—	0 05
CONSUMED—				
Number of tons consumed . . .	194,548	178,512	16,036	—
Total cost of coal consumed, ex- cluding expense of handling . .	\$346,772 92	\$329,586 77	\$17,186 15	—
Total expense of handling coal consumed	24,347 22	23,267 13	1,080 09	—
Average expense per ton of hand- ling coal consumed	0.1251	0.1303	—	\$0.0052
Total cost of coal consumed includ- ing expense of handling	371,120 14	352,853 90	18,266 24	—
Average cost of coal consumed per ton, including expense of hand- ling	1 91	1 98	—	0 07

During the current fiscal year the greater part of the company's coal supply was purchased from Illinois mines, the

Arkansas and Indian Territory mines being shut down during the latter part of the year on account of strikes.

The coal purchased from Illinois mines, which is delivered to this line at Cairo, Ill., or Gale, Ill., is loaded, as far as possible, in southbound box and stock cars, thus returning this equipment to the line under load instead of empty.

WOOD.

The number of cords of wood purchased during the current fiscal year was 2,108, at a cost of \$2,930.69, or an average of \$1.39 per cord. During the preceding fiscal year, 2,283 cords were purchased at a total cost of \$2,988.44, or an average of \$1.31 per cord.

HOSPITAL SERVICE.

The operations of the Hospital Department for the fiscal year ended June 30th, 1899, compared with the preceding year, are shown briefly in the following table:

EMPLOYES RECEIVING HOSPITAL BENEFITS, ETC. ENTIRE SYSTEM.

DESCRIPTION.	June 30, 1899.	June 30, 1898.	Increase.	Decrease.
Patients in hospital at the beginning of year	59	52	7	—
Patients admitted during the year	2,303	1,649	654	—
Total	2,362	1,701	661	—
Number discharged	2,285	1,628	657	—
Number of deaths	18	14	4	—
Patients remaining in hospital at the close of year	59	59	—	—
Total	2,362	1,701	661	—
Number of dispensary cases treated in St. Louis, Cairo, Jonesboro, Pine Bluff, Waco and Tyler	9,089	8,160	929	—
Total number of employes receiving hospital benefits	11,451	9,861	1,590	—
Per cent. of deaths to number of cases treated in the hospital	0.7	0.8	—	0.1

It will be noted that the total number of employes receiving hospital benefits during the current year was 11,451, an increase of 1,590 over the preceding year. The number of deaths during

the year was eighteen, of which sixteen were due to various diseases and two to personal injuries.

The hospital at Tyler, Texas, continues to be efficiently managed under the direction of Dr. C. A. Smith, Chief Surgeon. During the current year a new ward building for colored patients was completed, which will relieve, to a large extent, the crowding of such patients, especially during the season when sickness is prevalent.

The Hospital Department was self-sustaining during the current fiscal year, contributions from employes covering the entire cost of maintenance.

CONCLUSION.

Particular attention is directed to the appendix to this report, which follows, in which is given a table of mileage operated on June 30th, 1899, and comparative statistical tables covering the operation of the line during the past ten years, as well as income and financial exhibits for each of the several corporations forming the system, for the fiscal year ended June 30th, 1899.

I take this occasion to acknowledge the loyal and efficient support accorded the management by the officers and employes of the line generally. To their full co-operation in carrying out the policy of the management is due, in a large measure, the successful results for the current fiscal year.

Respectfully,

RUSSELL HARDING,

Vice-Pres't & Gen'l Manager.

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Condensed balance sheet	XVI.	67

I.

MILES OPERATED.

MILES OF TRACK OPERATED JUNE 30TH, 1899—
ENTIRE SYSTEM.

DESCRIPTION.	Main track.	Side track.	Total.		
ST. LOUIS SOUTHWESTERN RY. CO.—					
Main line	418.0	108.0	526.0		
New Madrid branch	5.7	.3	6.0		
Delta branch	51.4	8.6	60.0		
Little Rock branch	41.7	5.5	47.2		
Shreveport branch	59.5	8.8	68.3		
Gray's Point Terminal Ry. (leased) .	16.4	6.2	22.6		
Total	592.7	137.4	730.1		
ST. LOUIS S.-W. RY. CO. OF TEXAS—					
Main line	304.6	56.7	361.3		
Sherman branch	109.9	15.1	125.0		
Ft. Worth branch	97.2	15.4	112.6		
Hillsboro branch	40.0	4.6	44.6		
Dallas Branch (joint track with G. C. & S. F. Ry.)	25.2	—	25.2		
Total	576.9	91.8	668.7		
TYLER SOUTHEASTERN RY. CO.—					
Main line	88.6	7.7	96.3		
ENTIRE SYSTEM—					
Total miles of track June 30, 1899 . .	1,258.2	236.9	1,495.1		
Total miles of track June 30, 1898 . .	1,223.0	220.2	1,443.2		
Increase	35.2	16.7	51.9		
MILES OF MAIN TRACK BY STATES.					
DESCRIPTION.	Mo.	Ark.	La.	Texas.	Total.
St. L. S.-W. Ry. Co. . .	143.3	413.6	35.8	—	592.7
St. L. S.-W. Ry. Co. of Tex.	—	—	—	576.9	576.9
T. S. E. Ry. Co.	—	—	—	88.6	88.6
Total	143.3	413.6	35.8	665.5	1,258.2

Comparative Statistics.

IV.

NET EARNINGS BY MONTHS

FOR TEN YEARS ENDED JUNE 30TH, 1899—ENTIRE SYSTEM.

Miles operated	1,222.1	1,222.1	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,223.0	1,249.8
MONTHS.	Year ended June 30, 1890.	Year ended June 30, 1891.	Year ended June 30, 1892.	Year ended June 30, 1893.	Year ended June 30, 1894.	Year ended June 30, 1895.	Year ended June 30, 1896.	Year ended June 30, 1897.	Year ended June 30, 1898.	Year ended June 30, 1899.
July	\$ 57,925 86	\$ 64,541 68	\$ 28,143 21	\$ 33,419 13	\$ 6,238 95	\$ 24,380 98	\$ 47,517 57	\$ 30,354 26	\$ 21,469 67	\$ 27,993 46
August	\$ 63,684 82	\$ 70,758 83	\$ 42,216 83	\$ 70,890 01	\$ 18,544 96	\$ 76,029 04	\$ 15,660 13	\$ 38,216 24	\$ 42,913 64	\$ 54,869 88
September	112,910 01	80,753 88	122,912 69	127,920 56	45,144 11	89,225 04	74,475 44	131,634 90	153,330 41	161,693 33
October	198,590 02	32,385 88	222,980 94	76,926 92	203,845 89	303,353 08	196,409 16	199,818 12	243,531 33	255,445 95
November	80,164 07	67,782 70	140,302 82	137,543 42	191,920 89	240,175 30	132,630 16	203,532 36	232,121 21	237,596 17
December	90,705 60	122,912 69	154,308 34	180,262 15	163,869 83	204,568 63	156,387 73	192,943 45	162,122 26	260,622 77
January	523 27	47,154 18	5,998 14	93,103 66	36,866 51	136,492 65	81,518 42	56,792 10	125,498 00	168,343 50
February	57,005 96	66,378 60	52,738 89	39,228 41	14,471 94	69,346 81	74,989 98	49,645 09	117,144 97	87,140 36
March	49,298 43	58,826 78	46,715 03	61,309 14	81,693 31	81,693 31	27,469 39	29,769 34	58,021 91	136,086 84
April	88,501 97	53,497 84	5,353 66	8,155 87	57,870 71	15,258 33	12,914 05	23,294 44	16,505 03	102,493 69
May	63,684 82	63,680 81	6,617 06	5,467 54	5,801 75	16,451 75	9,830 61	7,255 42	7,255 42	86,487 93
June	108,868 77	63,680 81	26,120 14	840 57	5,803 95	17,022 44	19,058 94	2,488 21	5,744 88	74,476 48
Total	\$226,462 28	\$925,939 75	\$812,1 67 47	\$834,247 38	\$741,366 06	\$1,239,953 48	\$772,115 32	\$387,658 19	\$1,106,005 20	\$1,653,250 36

NOTE.—Heavy-faced type denote deficits.

v.

BETTERMENTS (INCLUDED IN OPERATING EXPENSES) BY MONTHS

FOR TEN YEARS ENDED JUNE 30TH, 1899—ENTIRE SYSTEM.

	\$	\$105,977 24	\$ 14,233 32	\$ 5,821 59	\$ 12,449 74	\$ 2,470 35	\$ 17,897 02	\$ 11,955 38	\$ 3,495 83	\$ 22,197 00
July	15,537 73	130,217 73	5,425 10	12,187 31	9,270 84	6,797 15	24,094 24	10,237 98	3,452 82	22,002 61
August	20,820 73	135,989 30	7,285 29	14,273 32	22,056 61	26,575 33	27,156 58	15,688 98	2,505 04	19,441 51
September	44,060 98	121,822 84	13,085 61	31,011 67	7,247 99	7,503 94	22,118 50	16,682 48	5,930 07	15,410 25
October	69,881 33	163,516 34	15,554 09	8,387 78	7,864 46	15,060 39	17,700 21	7,177 49	6,763 53	14,515 35
November	99,898 73	142,165 81	3,430 31	15,938 67	7,566 91	16,313 48	31,396 12	2,082 49	11,148 04	8,439 37
December	107,542 44	72,846 23	34,794 14	9,622 78	6,175 30	10,463 97	20,305 37	2,882 67	2,648 44	
January	88,566 54	66,230 34	16,425 21	17,660 45	8,548 35	10,350 83	10,968 22	12,260 07	9,225 38	5,866 26
February	93,018 92	4,018 92	18,425 21	23,706 44	8,197 14	11,169 50	18,473 58	4,873 11	12,465 37	17,533 75
March	35,498 07	3,919 47	20,435 85	23,706 44	11,219 94	15,610 74	11,428 39	4,941 98	21,837 76	12,992 64
April	83,754 26	22,268 17	4,282 55	10,412 82	6,536 75	20,191 98	6,886 82	10,660 46	31,337 77	21,633 69
May	99,160 68	22,683 82	4,282 55	10,412 82	6,536 75	20,191 98	6,886 82	10,660 46	31,337 77	21,633 69
June			5,431 62	13,106 28	6,413 78	54,388 67	13,451 87	8,131 68	21,805 21	22,041 31
Total	\$786,157 61	\$1,089,159 83	\$129,266 71	\$182,665 06	\$ 113,547 81	\$197,086 33	\$210,894 92	\$113,544 38	\$132,809 88	\$182,752 34

NOTE.—The figures given in the foregoing tables up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas Ry. Co., and the Receivers thereof. The expenditures for betterments during the receivership were authorized, and special provision for their payments was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings.

VI.

SUMMARY OF FINANCIAL RESULTS FROM OPERATION
FOR TEN YEARS ENDED JUNE 30TH, 1899—ENTIRE SYSTEM.

Fiscal year ended June 30.	Miles operated.	Gross earnings.	Operating expenses. (including betterments.)		Net earnings.	All other receipts.	Total income.	Fixed and other charges against income.	Balance.	
			Amount.	Per cent. of gross earnings.					Surplus.	Deficit.
1890	1,222.1	\$4,261,913 37	\$4,035,451 09	94.69	\$ 226,462 28	\$ 89,741 44	\$ 316,203 72	\$1,219,034 60	—	\$ 902,830 88
1891	1,222.1	4,321,541 12	4,847,540 87	112.17	525,988 75	67,222 35	458,771 40	1,094,096 20	—	1,552,873 60
1892	1,222.1	4,638,244 12	3,826,076 65	82.49	812,167 47	125,099 05	937,266 52	917,574 04	\$ 19,692 48	—
1893	1,223.0	5,116,080 25	4,281,832 87	83.69	834,247 38	69,135 93	903,383 31	949,767 32	—	46,384 01
1894	1,223.0	4,615,144 20	3,873,778 14	83.94	741,366 06	31,030 61	772,396 67	970,165 13	—	197,768 46
1895	1,223.0	5,217,174 57	3,977,221 09	76.23	1,239,953 48	24,319 19	1,264,272 67	958,083 19	306,189 48	—
1896	1,223.0	4,904,489 86	4,132,374 54	84.26	772,115 32	10,076 70	782,192 02	960,042 08	—	177,850 06
1897	1,223.0	4,743,546 43	3,855,888 24	81.29	887,658 19	3,584 17	891,242 36	954,430 62	—	63,188 26
1898	1,223.0	5,279,332 82	4,173,327 62	79.05	1,106,005 20	8,907 14	1,114,912 34	957,618 80	157,293 54	—
1899	1,249.8	5,862,338 51	4,209,088 15	71.80	1,653,250 36	84,457 05	1,737,707 41	*1,158,030 14	579,677 27	—

NOTE.—The figures given in the foregoing table up to June 1st, 1891, are results of operation of the property by the St. Louis, Arkansas & Texas R'y Cos. and the Receivers thereof. The expenditures for betterments during the receivership were authorized, and special provision for their payment was made, by the United States Court, as well as for the amount of interest on bonds and other fixed charges, in excess of the net earnings. Heavy-faced type denotes deficit.

* Includes two per cent interest on second mortgage income bond certificates earned during year ended December 31st, 1898.

VII.
TRAFFIC STATISTICS.
FOR TEN YEARS ENDED JUNE 30TH, 1899—ENTIRE SYSTEM.

FREIGHT.

Fiscal year ended June 30.	Miles operated.	Number of revenue tons carried.	* Freight revenue.	Number of revenue tons carried one mile.	Freight train mileage, including % of mixed train mileage.	Average freight revenue per mile of road.	Average revenue per revenue ton.	Average revenue per freight ton per mile.	Average distance haul of one revenue ton (miles).	Average revenue per freight train mile.
1890	1,222.1	1,154,300	\$3,394,834.67	238,556,739	1,844,758	\$2,777.87	\$2,9410	\$0.0131	223.99	\$1.8403
1891	1,222.1	1,252,978	3,288,607.35	251,647,375	1,911,334	2,690.95	2,6246	0.0131	200.84	1.7206
1892	1,222.1	1,302,580	3,553,748.88	270,433,058	1,839,486	2,907.90	2,7282	0.0131	207.61	1.9319
1893	1,223.0	1,506,696	3,988,319.72	329,183,200	2,180,373	3,261.10	2,6471	0.0121	218.48	1.8292
1894	1,223.0	1,328,277	3,498,158.58	282,162,773	1,836,875	2,860.31	2,6334	0.0124	212.41	1.9044
1895	1,223.0	1,470,257	4,072,163.50	309,245,333	1,920,525	3,329.65	2,7697	0.0132	210.33	2.1203
1896	1,223.0	1,487,078	3,685,638.68	312,998,714	1,967,410	3,013.60	2,4784	0.0118	210.48	1.8733
1897	1,223.0	1,524,709	3,668,481.77	325,472,192	2,017,779	2,999.58	2,4060	0.0113	213.47	1.8181
1898	1,223.0	1,773,333	4,138,932.01	358,109,737	2,169,415	3,384.25	2,3340	0.0116	201.94	1.9079
1899	1,249.8	1,887,609	4,619,985.26	380,660,588	2,103,430	3,696.58	2,4475	0.0121	201.66	2.1964

* Actual earnings derived from hauling freight, not including any portion of miscellaneous earnings.

VIII.
PASSENGER.

Fiscal year ended June 30.	Miles operated.	Number of passengers carried.	* Passenger revenue.	Number of passengers carried one mile.	Passenger train mileage, including % of mixed train mileage.	Average passenger revenue per mile of road.	Average revenue per passenger.	Average revenue per passenger per mile.	Average distance one passenger carried (miles).	Average revenue per passenger train mile.
1890	1,222.1	710,192	\$700,376.60	27,657,489	860,646	\$573.50	\$0.9869	\$0.0253	38.04	\$0.9859
1891	1,222.1	826,134	856,146.07	34,193,110	1,178,422	700.55	0.9881	0.0253	39.46	0.7965
1892	1,222.1	833,293	854,039.45	35,031,148	1,256,192	698.35	1.0449	0.0258	39.76	0.7383
1893	1,223.0	842,493	879,325.52	35,019,302	1,276,192	719.15	1.0440	0.0238	41.57	0.6896
1894	1,223.0	810,601	883,408.68	37,940,490	1,350,309	722.15	1.0896	0.0238	43.68	0.6888
1895	1,223.0	838,984	889,304.61	36,744,040	1,378,337	727.35	1.0600	0.0242	43.80	0.6432
1896	1,223.0	935,355	944,146.62	40,159,897	1,464,769	771.89	1.0992	0.0235	42.93	0.6463
1897	1,223.0	803,644	785,018.07	35,214,295	1,484,360	641.88	0.9768	0.0236	41.33	0.5374
1898	1,223.0	828,538	854,121.45	37,153,691	1,477,689	698.36	1.0359	0.0237	44.84	0.5780
1899	1,249.8	899,048	910,867.27	38,373,916	1,483,845	728.81	1.0131	0.0237	42.68	0.6139

* Actual earnings derived from hauling passengers, not including mail and express nor any portion of miscellaneous earnings.

IX.
TRAIN AND CAR MILEAGE STATISTICS.
FOR TEN YEARS ENDED JUNE 30TH, 1899—ENTIRE SYSTEM.
FREIGHT.

Fiscal year ended June 30.	No. of miles run by all freight ended June 30. (including mixed trains).	Number of miles run by freight cars on this line.					No. of miles run by home freight cars on foreign lines.	Percentage of empty car mileage to total car mileage.	Average No. of cars in each freight train.			Average load of revenue tons.		Average No. of miles run per car per day.				
		Loaded.	Empty.	All.	Home.	Foreign.			Loaded.	Empty.	All.	Per car.	Per train.	On this line.		Home.	F'rn.	Home.
														Home.	F'rn.			
1890	1,963,060	31,947,023	9,744,178	41,691,201	25,466,417	16,224,784	10,258,344	23.37	16.27	4.96	21.23	8.09	131.71	Records incomplete.				
1891	1,965,585	31,999,673	11,623,117	43,624,790	23,592,858	20,031,932	10,239,801	26.65	16.28	5.91	22.19	7.86	128.03	22	26	18		
1892	1,892,895	26,875,298	9,553,015	36,428,313	18,329,984	18,098,329	10,800,469	26.22	14.20	5.05	19.25	10.06	142.87	24	19	20		
1893	2,217,705	31,995,299	9,469,410	41,464,709	19,218,982	22,245,727	9,429,001	22.84	14.43	4.27	18.70	10.29	148.43	24	23	20		
1894	1,858,914	26,611,677	8,446,101	35,057,778	18,920,594	12,920,594	9,602,422	24.09	14.32	4.54	18.86	10.60	151.79	24	19	20		
1895	1,940,257	28,913,339	10,071,485	38,984,824	20,221,920	18,762,904	9,930,917	25.83	14.90	5.19	20.09	10.70	159.38	24	22	18		
1896	1,987,431	28,720,774	10,461,446	39,182,220	18,962,235	20,199,985	11,541,435	26.70	14.46	5.26	19.72	10.90	157.49	24	25	19		
1897	2,036,992	29,029,185	11,374,066	40,403,251	19,277,984	21,125,267	11,707,875	28.15	14.25	5.58	19.83	11.21	159.73	24	26	20		
1898	2,187,854	31,261,518	12,317,032	43,578,550	20,195,428	23,383,122	11,945,326	28.26	14.29	5.63	19.92	11.46	163.68	25	23	18		
1899	2,121,358	32,542,857	10,553,322	43,096,179	23,261,396	19,834,783	17,254,603	24.49	15.34	4.97	20.31	11.70	179.44	25	24	21		

X.
PASSENGER.

Fiscal year ended June 30.	No. of miles run by passenger trains (not including mixed trains).	Number of miles run by passenger cars on this line.			Average No. of cars moved in each passenger train.	Average No. of miles run per car per day.	
		Home.	Foreign.	All.		Home.	Foreign.
1890.	751,344	3,894,574	519,658	4,414,232	3.60	Records incomplete.	
1891.	1,124,201	4,395,208	743,608	5,138,816	3.83	148	178
1892.	1,103,351	4,454,368	779,857	5,234,225	3.97	174	227
1893.	1,241,859	4,629,209	913,229	5,542,438	3.98	177	145
1894.	1,298,870	4,715,771	902,479	5,618,250	4.05	177	145
1895.	1,358,605	4,555,758	897,278	5,453,036	3.79	160	129
1896.	1,440,748	4,840,535	1,228,375	6,068,910	3.99	157	177
1897.	1,465,147	4,964,136	1,216,181	6,180,317	4.01	156	145
1898.	1,459,200	5,144,441	1,138,049	6,282,490	4.10	164	111
1899.	1,465,917	5,475,881	1,121,766	6,597,647	4.29	163	110

Income and Financial Exhibits.

XI.

INCOME ACCOUNT.

ST. LOUIS SOUTHWESTERN RY. CO.

YEAR ENDED JUNE 30TH, 1899.

ST. LOUIS SOUTHWESTERN RY. CO.		YEAR ENDED JUNE 30TH, 1899.	
INCOME ACCOUNT.			
To EXPENSES—		BY EARNINGS—	
Maintenance of way and structures	\$ 539,701 39	Freight	\$2,815,384 51
Maintenance of equipment	343,905 83	Passenger	494,476 05
Conducting transportation	1,244,321 70	Mail	95,173 62
General expenses	184,011 45	Express	44,949 60
<i>Net earnings</i>	<i>—</i>	Telegraph	3,420 98
		Miscellaneous	28,661 15
			\$3,482,065 91
			\$3,482,065 91
To Accrued interest on bonds			\$1,170,125 54
Taxes accrued	\$ 800,000 00	By Net earnings brought down	—
Rental of leased lines:	74,657 15	Interest on bonds owned—	
Gray's Point Terminal Ry.	9,987 50	St. L. S. W. Ry. Co. of Texas.	
All other payments	20,987 30	First mortgage, \$9,445,000.00 @ 4%	\$ 377,800 00
		Tyler Southeastern Ry. Co.	26,400 00
Add:		First mortgage, \$660,000.00 @ 4%	3,360 00
Interest on second mortgage income bonds	\$ 905,531 95	Praegould Southeastern Ry. Co.,	
earned during calendar year ended De-		First mortgage, \$86,000.00 @ 6%	1,041 66
cember 31st, 1898 (2%)		Pine Bluff Ark. River Ry.	
<i>Surplus income for fiscal year ended June</i>		First mortgage, \$80,000.00 @ 5%	962 50
<i>30th, 1899, carried to credit of profit and</i>		Gray's Point Terminal Ry. Co.,	
<i>loss account</i>		First mortgage, \$33,000.00 @ 5%	—
		Trackage rentals	—
		All other receipts	—
Total	\$1,640,339 62	Total	\$1,640,339 62
PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1899.			
To		By	
Amount paid in compromise settlement of suits, judg-		Balance to credit of profit and loss account at	
ments, etc., against Receivers St. L. A. & T. Ry.	\$ 18,434 25	the beginning of current fiscal year, July 1st,	
<i>Balance to credit of profit and loss account, June 30th,</i>		1898	\$2,759,416 02
<i>1899</i>	<i>3,776,388 94</i>	Surplus income from operation for fiscal year	
		ended June 30th, 1899, as per foregoing state-	
		ment	554,807 67
		Proceeds sale of 2d mortgage income bond certifi-	
		cates, 1,000 certificates, par value \$1,000,000.00;	
		sold in February, 1899, for	480,597 50
Total	\$3,794,821 19	Total	\$3,794,821 19

XII.
CONDENSED BALANCE SHEET.

ST. LOUIS SOUTHWESTERN RY. CO.

JUNE 30TH, 1899.

ASSETS.	Total.	+ Increase, - Decrease, This year.	LIABILITIES.	Total.	+ Increase, - Decrease, This year.
Cost of road and equipment	\$48,270,184 01	+\$1,149,045 84	Capital stock—		
Gray's Point Terminal Ry. leasehold	339,000 00	+ 339,000 00	Preferred	\$20,000,000 00	—
Construction accounts	20,722 81	808 14	Common	16,500,000 00	—
Real estate	27,327 95	—		\$36,500,000 00	
Investments in stocks and bonds—			Funded debt—		
Capital stock St. L. S. W. Ry.	\$2,500,000 00	—	* First mortgage bonds (4%)	\$20,000,000 00	—
Co. of Texas	250,000 00	—	+ Second mortgage income bonds		
Capital stock Tyler Southeast-			(4%, if earned)	9,000,000 00	+\$1,000,000 00
ern Ry. Co.	—	—		29,000,000 00	
First mortgage bond St. L. S.	—	—	Gray's Point Terminal Ry. Co., 1st mortgage		
W. Ry. Co. of Texas	9,445,000 00	—	bonds guaranteed (5 per cent)	339,000 00	+ 339,000 00
Second mortgage income bond	4,722,500 00	—		412,127 54	+ 177,478 92
St. L. S. W. Ry. Co. of Texas	—	—	Equipment trust obligations		
First mortgage bond Tyler	660,000 00	—			
Southeastern Ry. Co.	330,000 00	—	Deferred liabilities—		
Second mortgage income bond	—	—	Notes payable—due on stated		
Tyler Southeastern Ry. Co.	—	—	dates after July 1st.	\$ 3,000 00	— 234,639 47
St. Louis Southwestern Ry. Co.	—	—	Interest on bonds—accrued, not		
Capital stock—			due	314,745 83	+ 181,412 50
Preferred \$106,350 00	250,250 00	—	Taxes accrued year 1899—not		
Common 143,900 00	—	—	due until 1900.	36,615 10	+ 1,485 33
			Hospital fund	—	+ 1,345 24
Paragould Southeastern Ry. Co.:				354,360 93	—
Capital stock . . . \$56,000 } Cost	51,937 50	—	Current liabilities—		
1st mtge. bonds, 56,000 } to Co.	—	—	Audited vouchers unpaid	\$159,348 99	— 294,846 32
Fine Bluff, Ark., River Ry.:			Audited pay-rolls unpaid	126,489 34	— 5,621 84
Capital stock . . . \$100,000 } Cost	27,851 70	—	Interest on bonds—due and un-		
1st mtge. bonds, 50,000 } to Co.	—	—	paid (unpresented coupons)	44,405 00	+ 10,225 00
Gray's Point Terminal Ry. Co.:			Notes payable, due on demand		— 49,000 00
Capital stock . . . \$500,000 } Cost	33,000 01	+ 27,851 70		330,243 33	—
1st mtge. bonds, 33,000 } to Co.	—	—	Miscellaneous accounts	140,881 44	+ 36,112 59
Current assets—					
Cash	\$283,005 36	+ 33,000 01	Balance to credit of profit and loss account,		
Sundry accounts collectible	193,239 46	+ 162,990 76	June 30th, 1899, as per detailed exhibit on		
Advances to sundry agents to be	33,840 24	+ 27,712 90	preceding page	3,776,306 94	+ 1,016,970 92
accounted for	3,148 17	+ 30,359 09	Total	\$70,853,000 18	+\$2,187,232 39
Prepaid insurance	\$513,233 23	+ 708 31			
Supplies on hand	249,056 71	+ 61,547 64			
St. Louis Southwestern Ry. Co. of					
Texas, general account	2,960,337 46	+ 378,348 12			
Tyler Southeastern Ry. Co., general account	176,749 08	+ 24,750 99			
Miscellaneous accounts	25,849 72	+ 8,150 97			
Total	\$70,853,000 18	+\$2,187,232 39			

*Secured by first mortgage lien on St. L. S. W. Ry., \$9,895,000, first mortgage bond of St. L. S. W. Ry. Co. of Texas, \$9,445,000, and first mortgage bond of T. E. Ry. Co., \$660,000.

†Secured by second mortgage lien on St. L. S. W. Ry., \$3,947,500, second mortgage income bond of St. L. S. W. Ry. Co. of Texas, \$4,722,500, and second mortgage income bond of T. E. Ry. Co., \$330,000.

XIII.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS. YEAR ENDED JUNE 30TH, 1899.

INCOME ACCOUNT.

TO EXPENSES—			
Maintenance of way and structures	\$ 518,077 85		
Maintenance of equipment	285,629 45		
Conducting transportation	857,642 93		
General expenses	97,968 58		
<i>Net Earnings</i>	—		
		\$1,759,318 81	
		444,063 28	
		\$2,203,402 09	
By EARNINGS—			
Freight		\$1,670,066 98	
Passenger		383,186 06	
Mail		75,355 18	
Express		23,644 80	
Telegraph		2,284 20	
Miscellaneous		48,364 87	
		\$2,203,402 09	
By Net earnings, brought down			\$444,063 28
All other receipts			18,442 97
Total			\$ 462,526 25

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1899.

TO Balance to debit of profit and loss account at the beginning of current fiscal year, July 1st, 1898		\$2,139,930 33	
Total		\$2,139,930 33	
By Surplus income from operation for fiscal year ended June 30th, 1899, brought down			\$ 18,100 91
Balance to debit of profit and loss account, June 30th, 1899			2,121,829 42
Total			\$2,139,930 33

XIV.

ST. LOUIS SOUTHWESTERN RY. CO. OF TEXAS.		CONDENSED BALANCE SHEET.		JUNE 30TH, 1899.	
ASSETS.	Total.	+ Increase, - Decrease, This year.	LIABILITIES.	Total.	+ Increase, - Decrease, This year.
Cost of road and equipment	\$17,380,190 69	+ \$135,193 18	Capital stock— Common	\$2,500,000 00	—
Current assets—			Funded debt—		
Cash	—	+ 48,022 32	1st mortgage bonds (4%)	\$ 9,445,000 00	—
Sundry accounts collectible	—	+ 3,793 68	2nd mortgage income bonds (4%, if earned)	4,722,500 00	—
Advances to sundry agents to be accounted for	—	+ 2,828 88			
Prepaid insurance	—	+ 421 76			
Supplies on hand	—	+ 40,091 76	Equipment trust obligations	88,547 60	- \$ 12,544 98
Tyler Southeastern Ry. Co., general account .	289,197 71		Deferred liabilities—		
Miscellaneous accounts	134,874 80	- 26,835 63	Notes payable—due on stated dates after July 1st	—	- 100,000 00
Balance to debit of profit and loss account, June 30th, 1899, as per detailed exhibit on preceding page	25,849 72	+ 25,849 72	Taxes accrued year 1899—not due until 1900	—	- 330 83
			Hospital fund	31,913 96	+ 2,993 49
	2,121,829 42	- 18,100 91	Current liabilities—		
			Audited vouchers unpaid	—	- 52,959 84
			Audited pay-rolls unpaid	203,183 92	- 4,275 60
			St. Louis Southwestern Ry. Co., general account		
			Miscellaneous accounts	2,960,337 46	+ 378,348 12
Total	\$19,951,942 34	+ \$211,264 76	Total	\$19,951,942 34	+ \$211,264 76

XV.

TYLER SOUTHEASTERN RY. CO.

INCOME ACCOUNT.

YEAR ENDED JUNE 30TH, 1899.

To EXPENSES—					
Maintenance of way and structures	\$ 43,804 21				
Maintenance of equipment	17,910 55				
Conducting transportation	68,499 38				
General expenses	7,614 83	\$ 137,828 97			
<i>Net earnings</i>	—	39,041 54			
		\$ 176,870 51			
To Accrued interest on bonds					
Taxes accrued	—	\$ 26,400 00			
All other payments	—	5,231 44			
<i>Surplus income for fiscal year ended June 30th, 1899, carried to credit of profit and loss account</i>	—	6,768 69			
Total	—	\$ 39,041 54			
By EARNINGS—					
Freight			\$ 134,533 77		
Passenger			33,205 16		
Mail			4,680 84		
Express			3,405 60		
Telegraph			353 43		
Miscellaneous			691 71		
			—	\$ 176,870 51	
By net earnings brought down			—	\$ 39,041 54	
Total			—	\$ 39,041 54	
PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1899.					
To Balance to debit of profit and loss account at the beginning of current fiscal year, July 1st, 1898		\$ 308,809 04			
Total		\$ 308,809 04			
By Surplus income from operation for fiscal year ended June 30th, 1899, brought down				\$ 6,768 69	
<i>Balance to debit of profit and loss account, June 30th, 1899</i>				302,040 35	
Total				\$308,809 04	

XVI.
CONDENSED BALANCE SHEET.

TYLER SOUTHEASTERN RY. CO.

JUNE 30TH, 1899.

ASSETS.	Total.	+ Increase, - Decrease, This year.	LIABILITIES.	Total.	+ Increase, - Decrease, This year.
Cost of road and equipment	\$1,254,709 84	+ \$ 4,502 33	Capital stock—		
Current assets—			Common	\$ 250,000 00	—
Prepaid insurance	—	— 116 72	Funded debt—		
Miscellaneous accounts	1,121 49	+ 1,121 49	1st mortgage bonds (4%) . \$ 660,000 00		
			2nd mortgage income bonds	990,000 00	—
			(4%, if earned)		
Balance to debit of profit and loss account June 30th, 1899, as per detailed exhibit on preceding page	302,040 35	- 6,768 69	St. Louis Southwestern Ry. Co., general account	176,749 08	+ \$24,750 99
			St. Louis Southwestern Ry. Co. of Texas, general account	134,874 80	- 26,835 63
			Miscellaneous accounts	6,247 80	+ 823 05
Total	\$1,557,871 68	- \$ 1,261 59	Total	\$1,557,871 68	- \$ 1,261 59